



Mogale City

Local Municipality

City of Human Origin

Draft: IDP 2012/13

**1st Revision of 5 year
Integrated Development Plan
2011-16**

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SECTION A: Introduction, Legislative Framework and IDP Context

1.1 INTRODUCTION

The newly elected Council that assumes office from May 2011, has its work cut-out, to set the tone for the 5 year IDP process. As a fourth generation of elected Council takes office, its predecessor has provided an opportunity to understand the challenges and strengthen the achievements of government by working together with local communities, labour, business, religious, youth and other stakeholders.

The IDP serves as a single broad strategic guide of the broader community of MCLM priority issues that government should implement in this term of office. It also assists administration to prepare a medium term finance framework and annual budget that seek to allocate resources to address all these needs.

In developing the 5 year IDP plan, it is important to be mindful of alignment with all National, Provincial and Local Government imperatives. The IDP is not only a local government programme, but the delivery plan of entire government in a particular space. In this case, this 5 year IDP should be seen as a government plan, not only of MCLM.

Government perspective of IDP is that of addressing all service delivery, with a particular interest in addressing and eradicating the inequalities of the past. The scale of the challenges are enormous in MCLM, however, all efforts are focused on previously disadvantaged areas. The objectives are therefore of a developmental state and developmental local government where the state actively intervenes in raising the quality of life of citizens through creating environment and deployment of resources to realize objectives it sets for itself.

1.2 LEGISLATIVE FRAMEWORK

The legislation governing the development, implementation and review of the IDP has been conceived in the constitutional spirit of a developmental state. In terms of the provisions of Local Government: Municipal Systems Act of 2000, each council must, within the prescribed period after the start of its elected term, adopt a single, inclusive, strategic plan for the development of the municipality.

Section 25(3) (a) prescribes that a newly elected council, may adopt the IDP of the previous council.

In terms of Section 24, of the Local Government: Municipal Finance Management Act, (Act 56 of 2003) municipal council should at least 30 days before the start of the of a budget year consider approval of the annual budget.

In terms of Section 34 of the Local Government: Municipal Systems Act, 2000 the municipality should-

- i. Annually in accordance with an assessment in terms of its performance measurements in terms of Section 41 and,
- ii. To the extent that changing circumstance so demand

1.3 IDP CONTEXT

The draft 2012/13 IDP is the 1st Annual revised plan of the Council approved 5 year. 2011-16 IDP. During the adjustment 2011/12 Budget, it has appear that MCLM revenue received is way less than anticipated. As with the 2012/13 Budget and IDP it is anticipated that income may not recovered. This would affect the planning and funding of own funded projects of the IDP.

IDP Process Plan

In terms of the Council approved IDP and Budget process plan, Council should approve the final IDP before the start of the new financial year, that is, no later than 30 June 2012.

In order for MCLM to prepare a credible IDP document, several stakeholders had to be engaged to provide inputs and guide the final IDP plan. The draft process of the IDP involves the following consultation process:

IDP Assessment

The annual IDP assessment requires all municipalities submit the final council approved IDP to the Provincial MEC responsible for Local Government. The purpose of the IDP assessment is for Provincial departments, led by local government to assess the credibility of the IDP and provide a provincial perspective that should be considered in preparation for the upcoming financial year IDP.

MEC comments on the 2011/12 IDP

In terms of the provisions of the Local Government: Municipal Systems Act, 2000 municipality should submit a copy of the Council approved IDP to the MEC for Local Government in the province. The legislation requires the MEC to assess the IDP and give comments on its alignment to government programmes. MEC comments on the 2011/12 IDP were noted in compiling the current IDP.

Mayoral IDP Road Shows

The Mayoral Road shows are a major part of the mass public consultation. In terms of the IDP process plan MCLM mayoral road shows take places in October-November and April- May of each year. The Executive Mayor together with the Mayoral Committee and Councillors undertake a 10 cluster ward meetings to listen to the IDP inputs and provide feedback on the draft IDP.

Council and Council Committees

Approval and adoption of the IDP and Budget are few of the non- delegated items in the Municipality. Thus only full Council has the responsibility of approving the IDP and Budget. MCLM council is to approve the IDP before end of June 2012. Section 80 portfolio committee has to however, review and recommend that Council approves the IDP and Budget prior to Council adoption of the reports.

Content of the IDP

IDP document consists of core components as required by the Municipal Systems Act. Thus IDP document has the following content:

Section A

It provides Introduction, legislative framework and context of preparing this IDP.

Section B

It analyses the demographic, economic, institution, financial and socio-economic issues of the municipality. The section also discusses service delivery backlogs

Section C

It expresses MCLM vision and mission as well as the strategic development in order to address the service delivery backlogs and community priorities.

Section D

It stresses the role of community outreach, which includes public consultation (IDP Road Shows). During this process the local community provides MCLM with the inputs and priorities that inform the IDP.

Section E

It explains the IDP prioritization model and projects to be undertaken for the next financial year and in the Medium Expenditure Framework.

Section F

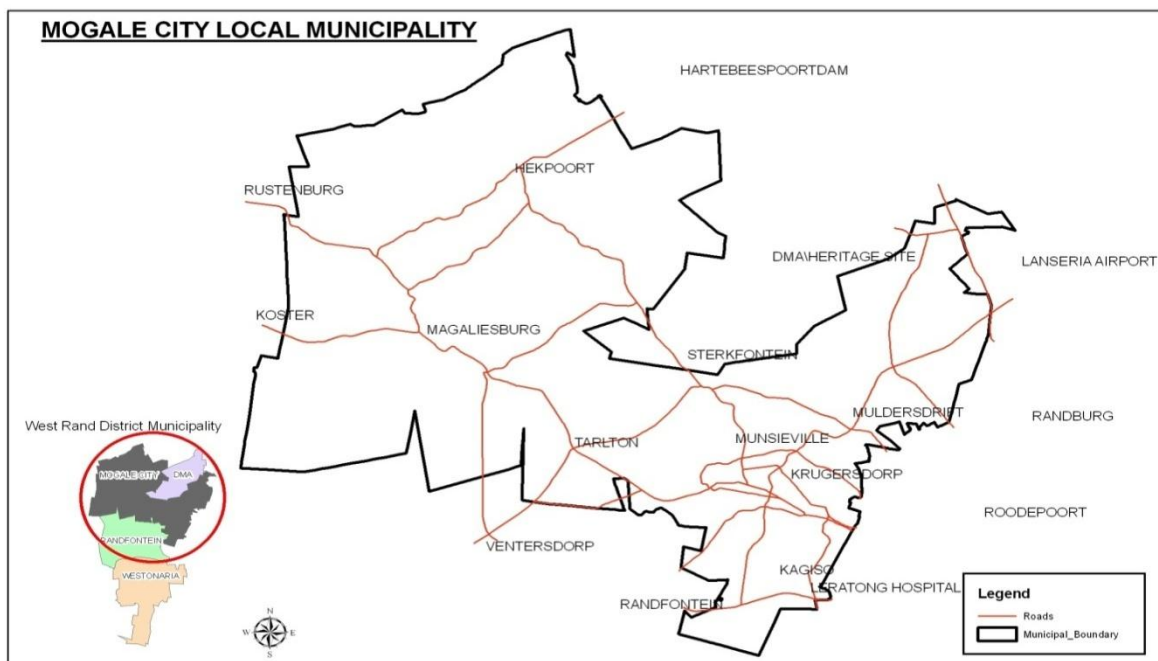
It provides all Sectoral plans, from such as Performance Management Plan, which is essential part of the inclusive nature of the IDP.

SECTION B : SITUATIONAL ANALYSIS

INTRODUCTIONS

2.1 CITY'S PROFILE

MCLM is a city made up of areas that include former Krugersdorp Town Council, and incorporates previously racially divided black municipal authorities of Kagiso and Munsieville as well Azaadville Kromdraai, Hekpoort, Magaliesberg and Tarlton. MCLM otherwise known as the *City of Human Origin*, is home to the Cradle of Humankind World Heritage Site. The site which is popular known for the Sterkfontein Caves where anthropologists discovered fossils of early humans that dates back millions of years. In the recent past, the Municipal area has been home to household names in South Africa, such as Arch-Bishop Emeritus Desmond Tutu, Dr. Motlanthe, Bra Hugh Masekela and Pule Ace Ntsoelengoe etc.



Map: Mogale City Local Municipality

MCLM, Randfontein LM, Westonaria LM and Merafong City are constituent local municipalities of the West Rand District Municipality. MCLM covers an area of approximately 110 000 hectares, with Krugersdorp as the major CBD. It is accessible from all the major centres of Gauteng and North West Province, namely Johannesburg, Pretoria, Midrand, Hartebeespoort dam, Randfontein, and Soweto, to name but a few places.

There are 34 wards in the entire MCLM, with additional two wards have been established with the re-demarcation for the 2011 Municipal Elections. The one ward used to be a District Management Area, DMA, Cradle of Humankind, proclaimed as a World Heritage Site. The other ward is as a result of division of the previously huge ward 3.

Historical Background

Mogale City, also known as the City of Human Original, is named after Chief Mogale-Wa-Mogale, the young heir to the Po Chiefdom of Batswana. The Po-Tribe (the Ndebele migrant Group) was among the early groups to occupy the Mogale City area. Later, surrounded by the Batswana – Bafokeng and Bakwena people, their Nguni culture and language were gradually replaced by that of the Batswana. The Po occupied the region from Magaliesburg and extended as far east as the present day North-Cliff Ridge, and Hartebeespoort to North-West.

Chief Mogale–Wa–Mogale is recognised as one of the first South African freedom fighters. Generations have been inspired by his bravery and tireless attempts at restoring ancestral land to his people. He was: “A true son of Africa, who is rightfully honoured by naming the City after him”.

Location

Mogale City is situated at the Western side of the Gauteng Province. It also forms part of the broader West Rand District Municipality, which consist of four local municipalities, i.e. Randfontein, Westonaria, Mogale City and Merafong City.

Mogale City is made up of the following areas

- Kagiso & Rietvallei 1,2 & 3
- Azaadville
- Krugersdorp and surrounding areas
- Munsieville
- Muldersdrift
- Tarlton
- Magaliesburg
- Hekpoort

MCLM is also a highly urbanised area in the West Rand District Municipality constituent Municipalities. The constituent municipalities of WRDM are Mogale City, Merafong City, Randfontein and Westonaria Local Municipalities. Outside the WRDM municipalities, MCLM is neighbouring the City of Tshwane in the North and City of Johannesburg in the east. MCLM is also in the border of strategic area, Lenasia Airport. Moreover, MCLM is along the economic spine of platinum rich mines of Rustenburg and the economic hub of South Africa, City of Johannesburg.

MCLM constitutes only 32.84% of the WRDM. MCLM has been the major contributor in the WRDM economy. The area encompasses a total of 1100,16 km², with its east-west borders being approximately 53 km wide, and its north-south borders being approximately 48 km apart. ¹(Mogale City Spatial Development Framework, December 2003). MCLM has the largest population of 371 368 persons from a total 848 613 of in the WRDM.

POPULATION DYNAMICS

Table 1 below indicates population of MCLM in 1996 was 250 702 and has increased to 371 368 by 2010. MCLM population growth from 1996 to 2010 has increased by 48%, with the annual growth rate of 3.4% over this period. The data also suggests that the population growth rate is declining. The annual growth has declined from 0.04 % between 1996 to 2002 to 0.02% between 2005 to 2010. ²(Progress review of the implementation of the White paper on Population Policy of South Africa, March 2010, Department of Social Development, RSA).

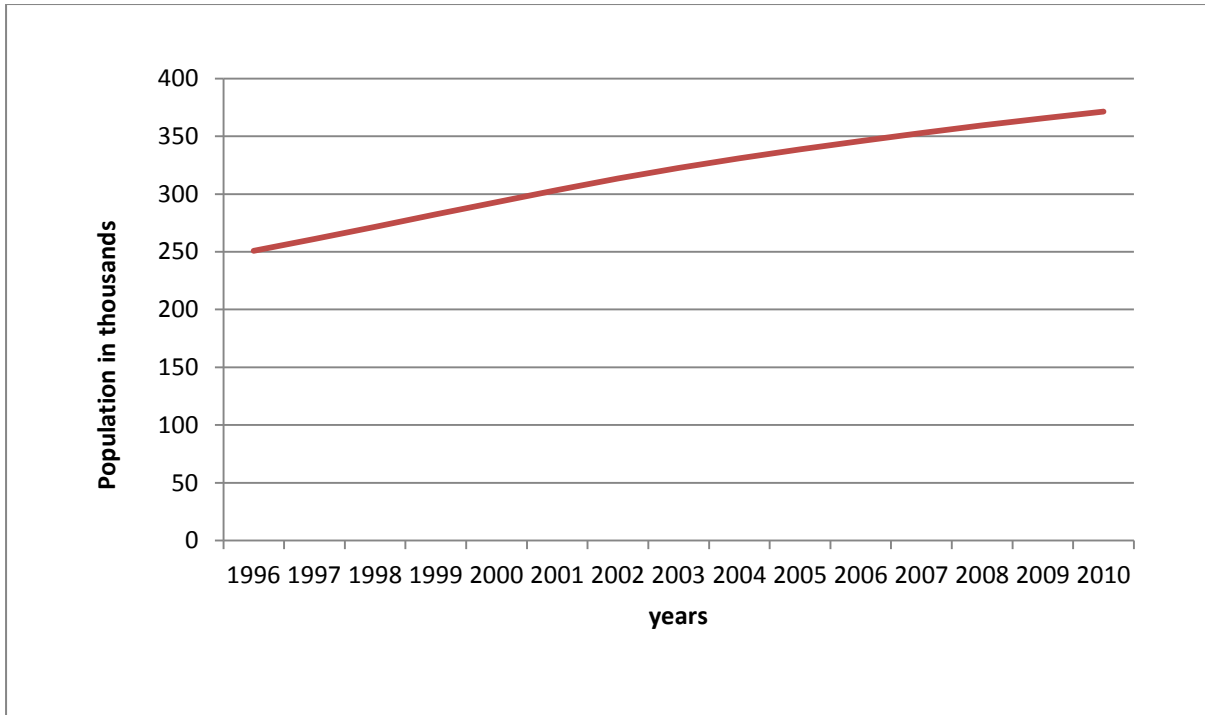


Table 1: Population growth of Mogale City, 1996- 2010

Population changes in the WRDM Constituent Municipalities

MCLM population growth has been the largest in the constituent municipalities of the West Rand District Municipality. Whereas, Westonaria LM has experienced a population decrease, Merafong City LM and Randfontein LM have experienced a marginal growth, MCLM from has been phenomenal over 100 000 new persons since 1996. The growth could be linked to in-migration and natural growth.

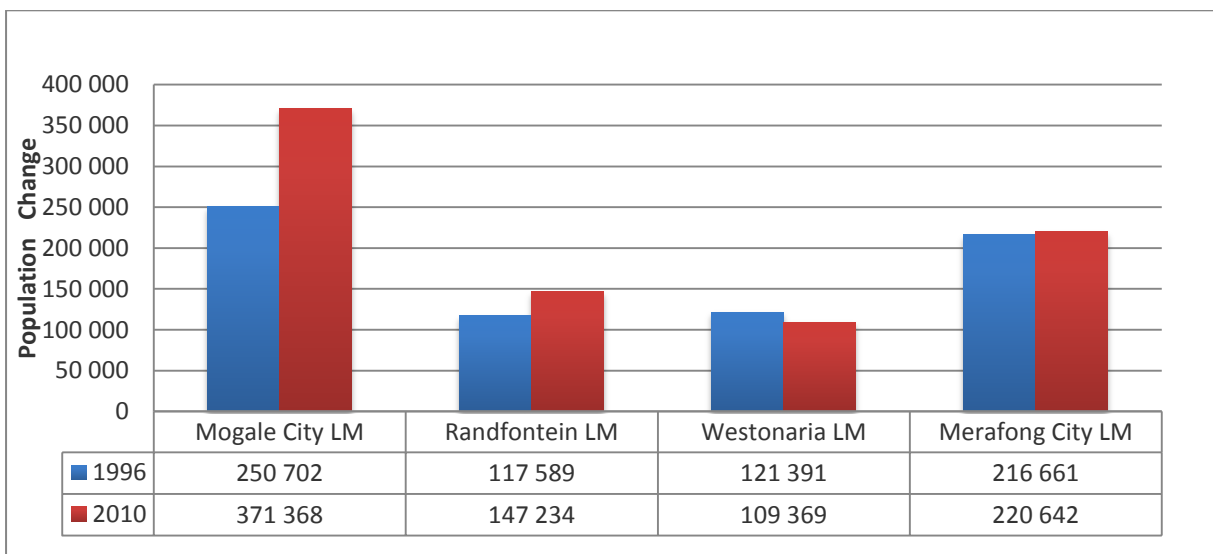


Table 2: Population growth in the WRDM constituent Municipalities

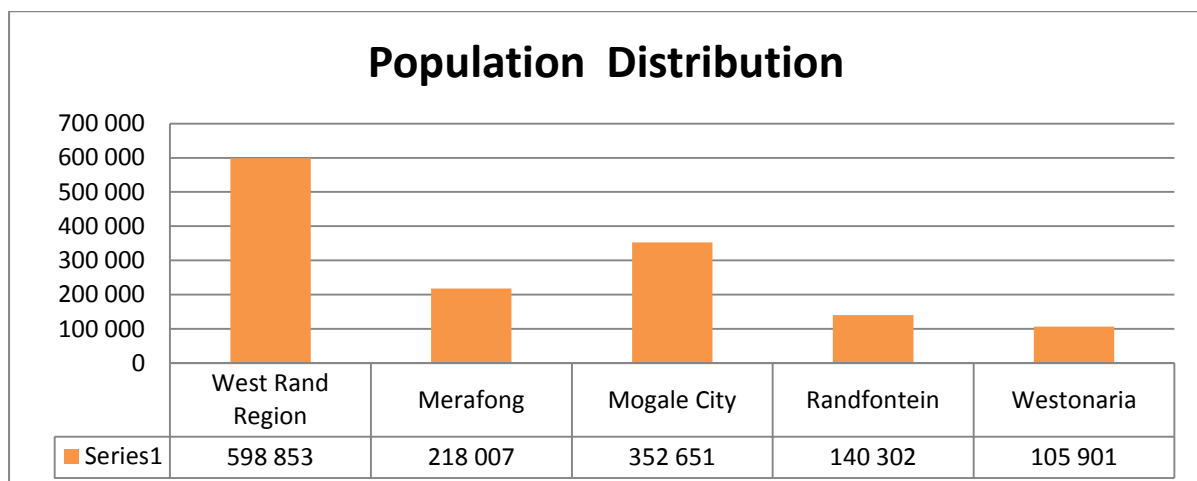
Population Age, Gender and Youth

The population of persons in the age under 15 dipped to 8.26% between 1996 and 2002 , however since 2010 this age group have increased to 12.17 % , this implies that the school going persons have increased. The age group of 15 to 34 as well as the age group between 15 to 64 years remained constant around 32 % and 68% respectively. This indicates that the economically active population remains between 1996 and 2010. Persons at over 60 years have also increased from 6.02% in 1996 to 8.66 % in 2010.

Population Characteristics	1996	2002	2010
% population < 15	10.61	8.26	12.17
% 15-34(youth)	38.74	36.17	32.03
% of population 15-64	67.8	68	70
% of population >60	6.02	6.66	8.6

Source: eXplora 2010: Table 3 population Characterises 1996-2010

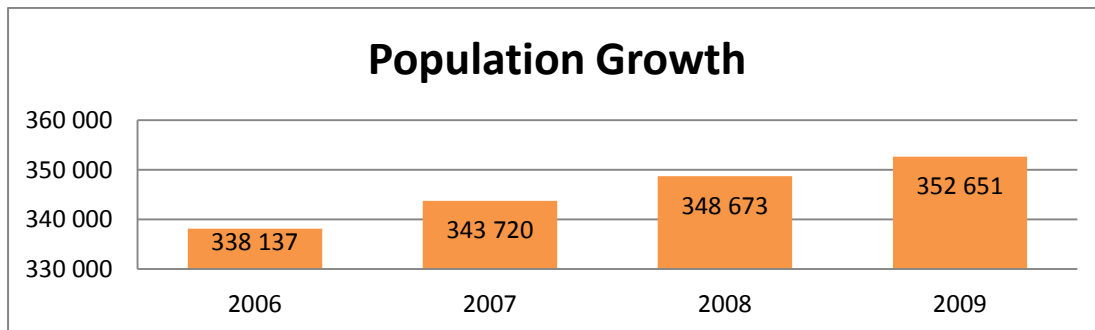
The 15-64 age group are the highly active and this age group needs MCLM to provide with economic opportunities such as job opportunities, business opportunities and housing. In turn, this group provides revenue for the municipality from payment of rates and taxes. Sadly, increasing number of this age group is unemployed. The number of the unemployment, especially amongst youth has been increasing with economy remaining static.



Source: IHS Global Insight Regional Explorer 2009

The above graph shows the population contribution of constituent Local Municipalities of West Rand District of which Mogale City, including the District Management Area, constitutes the largest population of 353 651. In simple terms, Mogale City Local Municipality contributes more than half of the population to the West Rand Region.

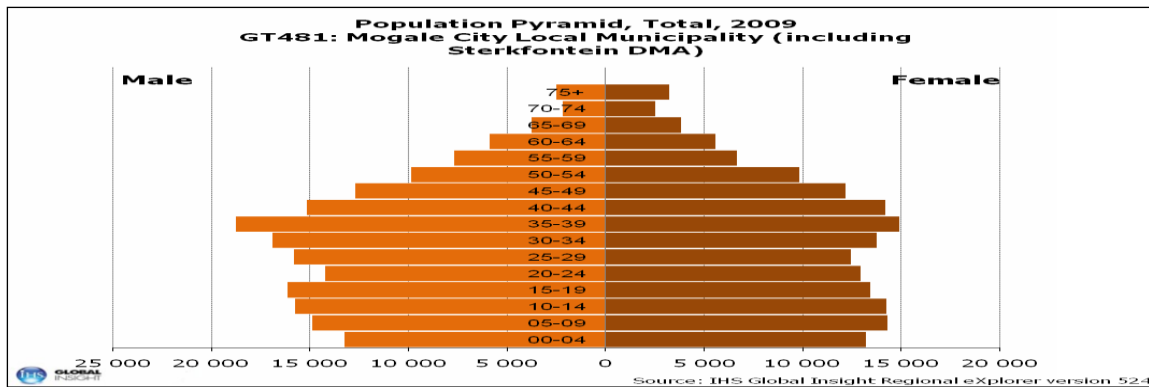
Since 2006, MCLM has experienced some growth, like some big municipalities in Gauteng, in-migration of people from within and beyond the borders of South Africa.



Source: IHS Global Insight Regional Explorer 2009

This graph shows growth in population from 2006 to 2009. The above population growth of approximately 338 137 persons in 2006 to an estimated 352 600 persons in 2009 is inclusive of the Blacks, Whites, Indians and Coloureds residing in MCLM. The latter is experiencing a high influx from within the boundaries and outside South Africa. This provides additional challenges and pressure on the existing services facilities. This poses a challenge for the municipality in terms of provision of sustainable services including houses, because more people moving into the city start off by living in the informal settlements.

Race, Age, Gender and Growth rate

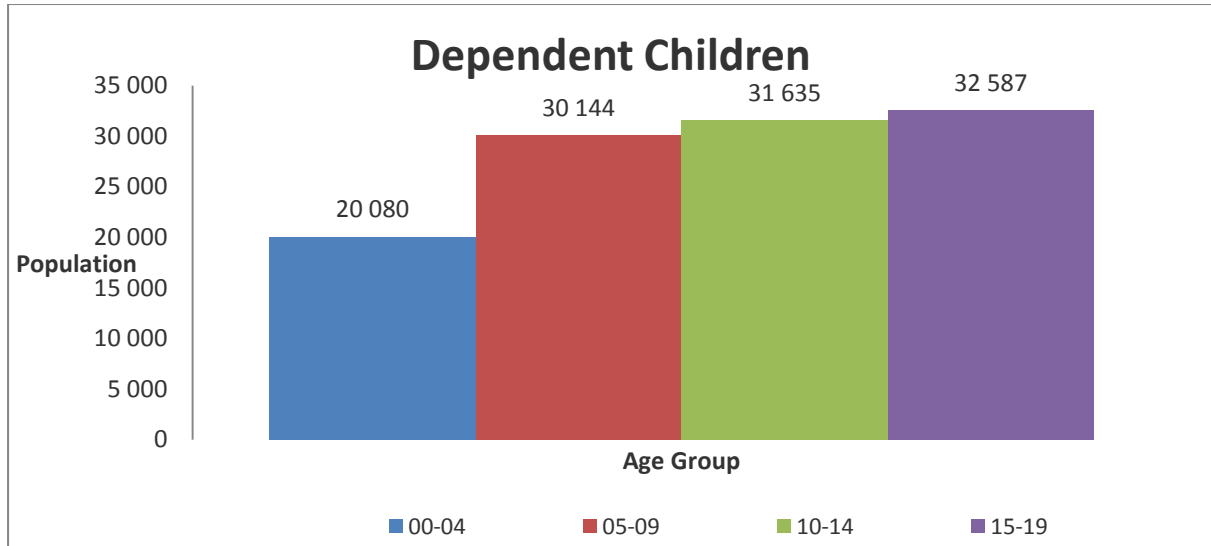


Source: Global Insight Regional Explorer 2009

The above graph shows males between the ages 35-39 as the highest in MCLM. This age constitutes the working group which means that government needs to build more houses with excellent services, including water, sanitation and electricity. In terms of rates and taxes, the municipality has to expect more income because they are able to afford. The graph also shows a decrease in population of both males and females of the age group 55-74. There is also a decrease in population of males and females aged between 20-24, which constitutes the vulnerable group in terms of HIV & AIDS and unemployment. The municipality needs to introduce awareness programmes and job creation initiatives to deal with this matter.

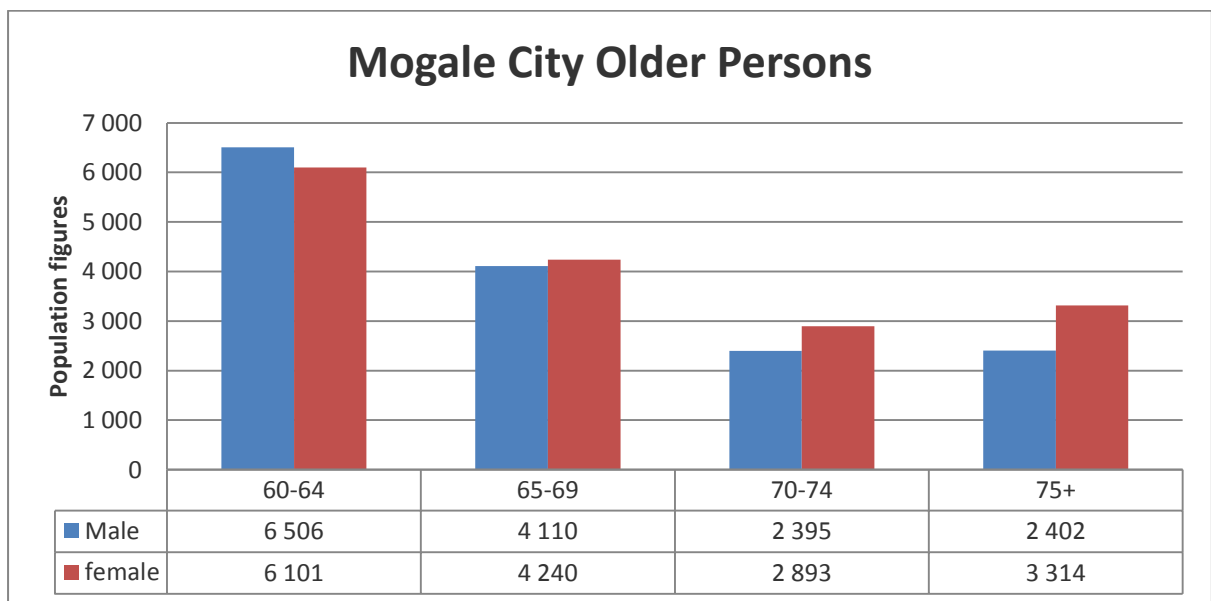
Dependence levels

There are 20 080 persons between 0-5 years age group, 30 144 persons between 05-9 years age group, 31 635 persons between 10-14 age group and 32 587 persons between the age group of 15 to 19 age group. A total of 114 445 persons between the ages of 5 to 19 years, from the total population of 371 368 persons. The table below shows the dependency rate is 30%. in MCLM This means that there are 30 persons in the dependent ages for every 100 persons in the working age.



Older persons

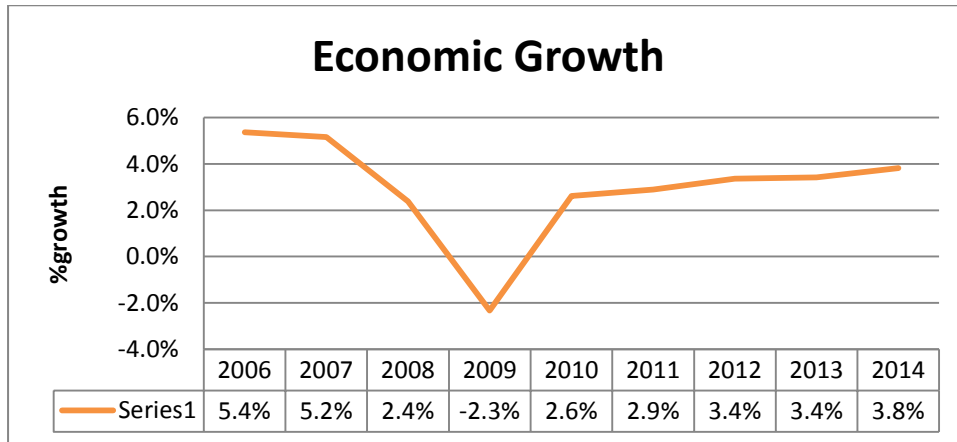
Persons older than 60 years are considered as senior citizens. In most cases, this is the age group of retired persons. Most of the people in this age receive government monthly pension.



In the table above, there are more male than females in the age group of 60 to 64 years. Over the age of 65 years there is a marked high number of females than males. Overall, MCLM has 31 960 (0.08%) senior citizens of the total population. These persons are largely in the indigent register of the municipality. Moreover, data indicates that the number of over 60 years persons is increasing in MCLM.

MCLM has the largest population estimated at 598 853 in the West Rand Region. In terms of the estimated population, MCLM is twice that of Randfontein and three times that of Westonaria. Undoubtedly, MCLM population figures and growth would contribute enormously to the motivation to the establishment of the West Rand Region into a Metropolitan Municipality by 2022.

2.3 ECONOMIC ANALYSIS



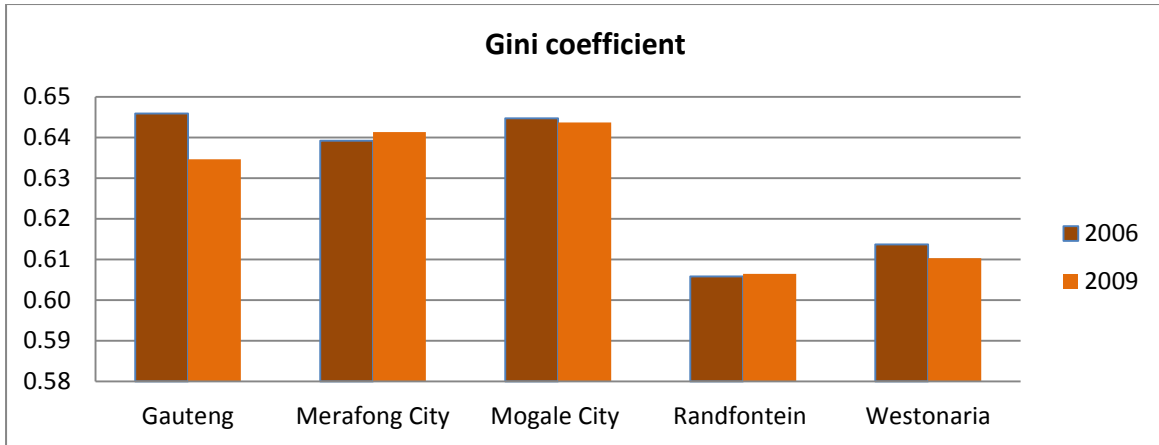
Source: Global Insight Regional Explorer 2009

Economic growth for the local municipal area, otherwise known as Gross Geographic Value, It refers to value of all goods produced and services rendered in a geographic space, such as MCLM. According to the graph above, GGV has dropped from 5% to negative growth of -3% in 2008/2009. From mid 2009 to end of 2010 the growth has been hovering between 2% and 3%. It is further estimated that growth may stabilize between 3% to 4% from 2011 to 2014.

It is common knowledge that economic growth contributes to meaningful job opportunities and better life for all. MCLM has been experiencing GVV annual growth of 7%.

Gini-Coefficient

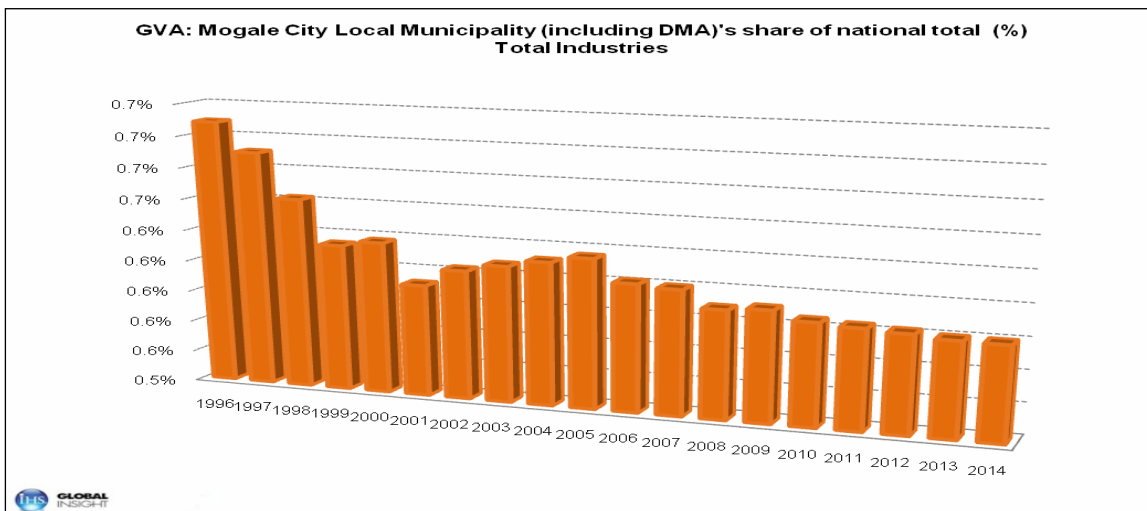
Gini-coefficient measures income inequality, which varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the income and other households earn nothing).



Source: IHS Global Insight Regional Explorer 2009

The above graph shows the changes in the Gini-coefficient of West Rand District Municipality as compared to Gauteng province for the years 2006 and 2009 respectively. MCLM Gini-Coefficient is similar to most of WRDM constituent local municipalities and Gauteng Province also shows that income inequality has increased.

Economic analysis (GVA by sector and GDP)

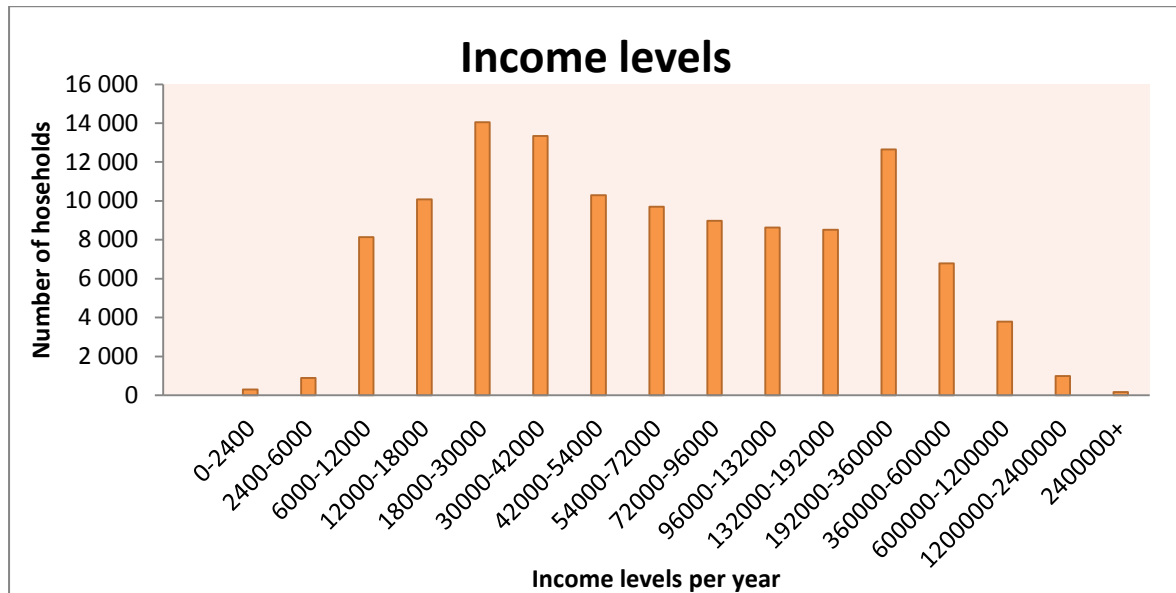


Source: Global Insight Regional Explorer 2009

The above graph indicates the contribution of Mogale City Local Municipality to National Growth. The contribution includes all sectors from mining to agriculture. The analyses above also assist the municipality to weigh itself against other municipalities in terms of economic growth. The prospective investors are also able to identify MCLM as the conducive area for business based on the above projections.

Household Income level

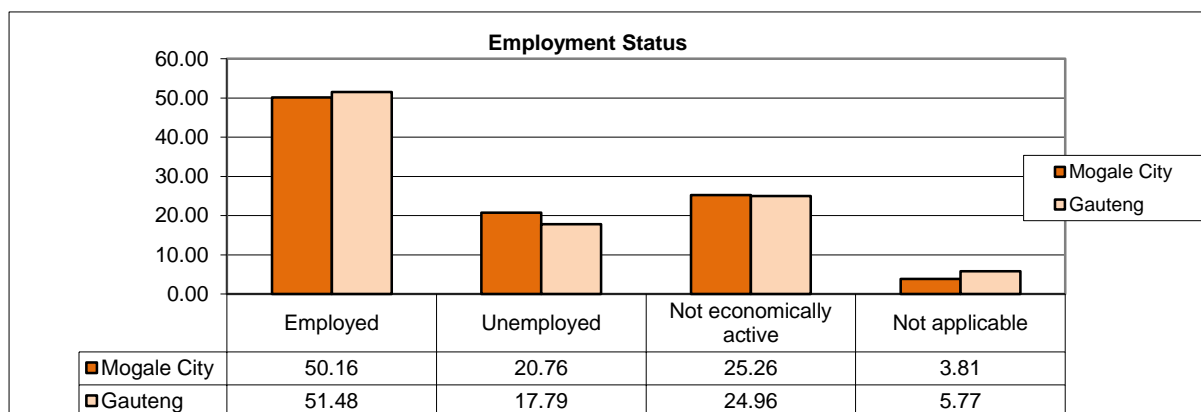
Household income levels serves as a good indicator for affordability within MCLM. In terms of the graph below, a large number of households earn an income of between R96 000- R132 000 annually.



Household income in MCLM in the graph, illustrated that there is a high level of low skill labour. Thus a high number of the population, may need some kind of social safety nets, such as indigent programmes.

Economic Active Population

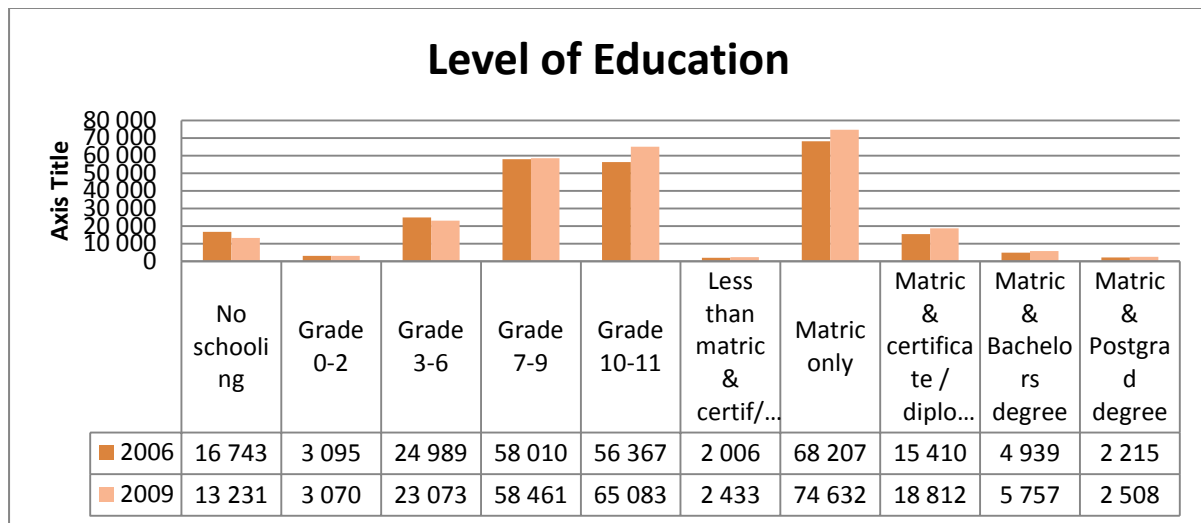
The economical active population is a measure of employment status in the economy. It shows the number of people employed, unemployed and not economically active, such as children and pensioners.



Source: Community Survey 2007, Statistics South Africa

The graph above provides comparative employment figures of Gauteng Province to that of Mogale City. This graph illustrates that Mogale City has 50.16% employed people compared to Gauteng's 51.48%, whereas the unemployed makes up 20.76% for Mogale City and 17.79% for Gauteng. This illustrates that Mogale City has a huge task of reducing unemployment rate by half by 2014 according to the government target. This would require that all efforts should be geared towards local job creation through government Expanded Public Works Programme and other job creation initiatives.

Levels of education



Source: Global Insight Regional Explorer 2009

One of the key priorities identified by the new administration is education, as it can contribute enormously towards the eradication of poverty in the country. The graph above, provides a breakdown of the literacy levels of the population aged 15 and above in Mogale City during the period of between 2006 and 2009.

By 2009, the total number of 13 231 persons had no schooling compared to the figure of 16 743 registered in 2006. This indicates that illiteracy level has declined with a figure of 3 512. By 2009, the total number of persons who received schooling from grade 0 – 11 was at 149 687 compared to figure of a 142 461 registered in 2006. These figures indicate that additional 7 226 persons received education in this category. Whereas in 2009, a total number of 74 632 persons had a matriculation certificate compared to the figure of 68 207 registered in 2006.

These figures also indicate that progress has been made in this category as additional 6 425 had successfully completed their matriculation. In respect of the number of persons holding a matriculation certificate, other certification and diploma, figures indicate that by 2009, a total number of 18 812 persons had obtained qualifications in this category, compared to the total number of 15 410 registered in 2006.

These figures indicate a positive growth of 3402 in this category. Pertaining to persons who hold matriculation and a bachelors degree, in 2009 the total of 5 757 persons held such qualifications in comparison to a figure 4 939 in the same category in 2006. This also indicates a growth of 818 in this category. Lastly, the total number of persons with matric and postgraduate degrees rose from a total number of 2 215 in 2006 to 2 508 in 2009 and this also signal a growth of 293 in this category.

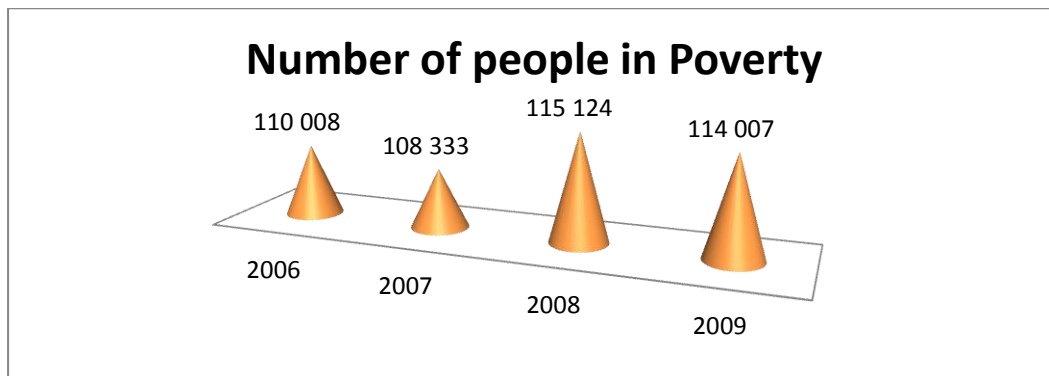
Employment Sector

Total Employment (Formal + Informal)	2006	2009
1 Agriculture	6%	5%
2 Mining	2%	2%
3 Manufacturing	17%	16%
4 Electricity	1%	1%
5 Construction	9%	8%
6 Trade	21%	19%
7 Transport	5%	5%
8 Finance	10%	11%
9 Community services	20%	21%
Households	10%	12%
Total	100%	100%

Source: IHS Global Insight Regional Explorer 2009

The sector contribution on job opportunities has mostly remained constant. Significantly, community services sector has shows an increase from 20 to 21% of job opportunities. The other major sectors that contribute to job opportunities in MCLM are Trade, manufacturing and households. This indicates that MCLM economy is largely on a tertiary level. The challenge is that a large number of the population has no or low skill levels.

Poverty levels



Source: Global Insight Regional Explorer 2009

According to Global Insight poverty levels in MCLM spiked in 2008, wherein people living in poverty jumped from 108 333 person to 115 124 person. The number, however dropped slightly to 114 007 in 2009. This indicates the high level of poverty in MCLM. This shows that there is still a huge challenge for the government objective of halving poverty by 2014.

It also shows a decrease in 2009 which is the year when the Indigent Registration was introduced and most of the people were employed in the developed economic hubs in areas like Silverstar Casino, shopping centers and other firms.

Poverty alleviation

Discounted payments of rates and services

Mogale City Local Municipality introduced the Indigent Registration programme that focuses on households that qualify to receive the free basic services. The municipality approved the indigent management policy which provides for basic services that includes six kilolitres of water, 50 kw/h of electricity, sanitation services, refuse removal and indigent burial as per indigent burial policy.

Households who qualify as indigent are those that earn less than R2 280 per month. Currently there are 5390 households that are registered as indigents and the statistics shows that there are 114 007 people who are poor in the municipality. Mogale City Local Municipality still urge the needy residents to register.

Indigent Registration Programme.

The poverty alleviation programme provides a platform for the municipality to push back the frontiers of poverty. During this term in 2006-2011, there has been various programmes such as indigent policy management wherein over 18 528 households were registered and no more than 4120 per annum approved as indigent beneficiaries.

The municipality disbursed over R 2.8M to various Non- Government Organizations (NGOs) engaged in activities that assist the urban and rural households.

Indigent Burial and Gravesite

Indigent burial programme has assisted the poor to bury their loved one in dignity. In the past 5 year, 291 households benefited from indigent burials and gravesites. MCLM assist with the burial expenses of indigents households with either the expenses on a gravesite or with overall burial expense, especially in cases where the family is unable to pay for the expenses.

Food Garden Scheme

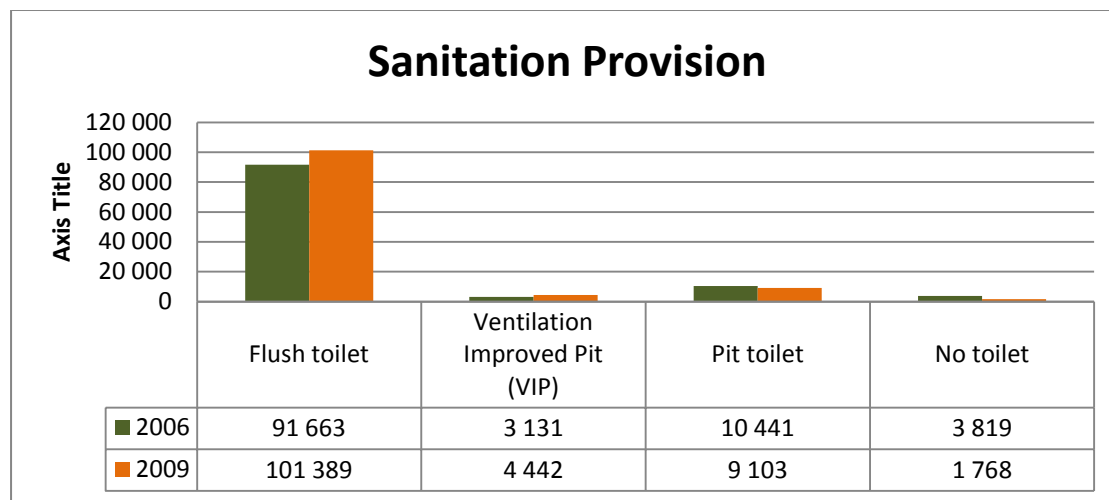
Food gardens are some of the ways the municipality ensured food security for poor households. There are four community food gardens schemes, with approximately 36 households participating.

Assistance to Evicted farm Dwellers

Eviction of farm dwellers is one of the major challenges for the rural communities in MCLM. The municipality established an Eviction Task Team that addressed any evictions of the rural poor. During this term, approximately 500 evicted and emergency relocated households were provided safe accommodation through site and services. Moreover, each month the municipality provides 5000 households with tankered water and chemical sanitation facilities.

2.4 BASIC SERVICE DELIVERY

Access to Basic Sanitation



Source: IHS Global Insight Regional Explorer 2009

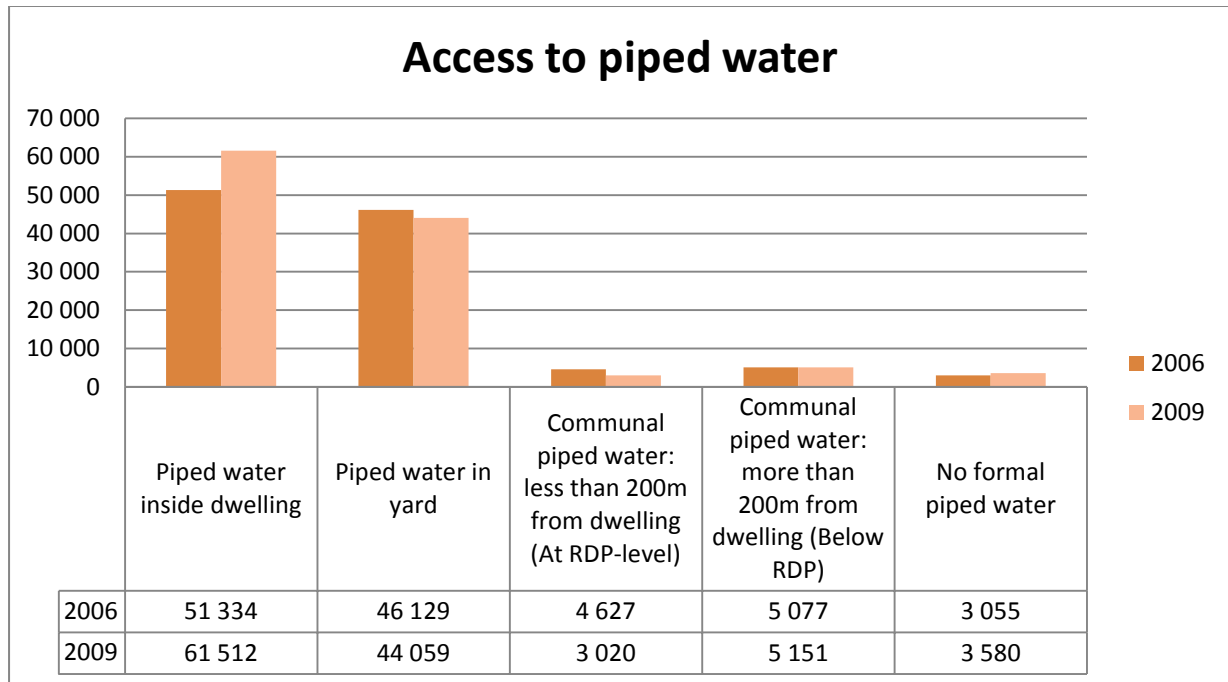
One of the key government priorities is to deliver safe and adequate sanitation services to all communities. Although the target for eradicating the sanitation backlog in terms of the Millennium Development Goals is 2014, the South African government had set a target to eradicating such a backlog by 2010.

The above graph indicates that by 2009, 101 389 households had access to flush toilets compared to the 91 663 which had access to similar sanitation facilities in 2006. This indicates an improvement of 9 726. In respect of households having access to Ventilation Improved Pit (VIP) by 2009, 4 442 households had access to such facilities whereas in 2006 only 3 131 households were registered to be having such a sanitation service. The survey further indicates that households with access to pit toilets were 10 441 compared to the total of 9 103 in 2006. This indicates that 1 338 households make use of pit toilets. Although much progress has been made within the MCLM, government needs to redouble its efforts to eradicate the backlog that still exist given the health risks associated with the lack of proper sanitation.

Inadequate methods of human waste disposal have become the focus of attention in recent years following several outbreaks of infectious, water-borne diseases. These outbreaks have been closely linked to the discovery of faecal matter in drinking water systems.

Over the years, in particular, since 2006 MCLM has set a path of providing universal access to potable water. Currently 80,000kl/day of bulk water is provided to communities where there has been a 2% per annum consumption increase in the past 5 years.

Water quality is monitored in accordance with the National Water Services Act at boreholes, reservoirs, towers, water tankers and distribution network. Quality is monitored for chemical and microbiological parameters. Over the past 5 (five) years, more than 98% of compliance has been reached in the distribution network for potable water. As a result, MCLM was awarded a blue drop status by the Department of Water Affairs in 2008/9. The universal access to water supply has increase hugely and also well beyond the basic level.



Source: Global Insight Regional Explorer 2009

The above graph shows that the number of households with piped water inside the dwelling has increased to 61 512 households as compared to 51 334 households. The municipality has the remaining 3 580 households that still need access to piped water. Other households use boreholes as source of water. The objective is to ensure that all household in MCLM have access to piped water.

The challenge is with regards to water loss, MCLM has 34% water loss that could not be accounted. The measures that have been attempted include re-sealing of the Water Reservoirs, however, additional rigorous needs to be put in place.

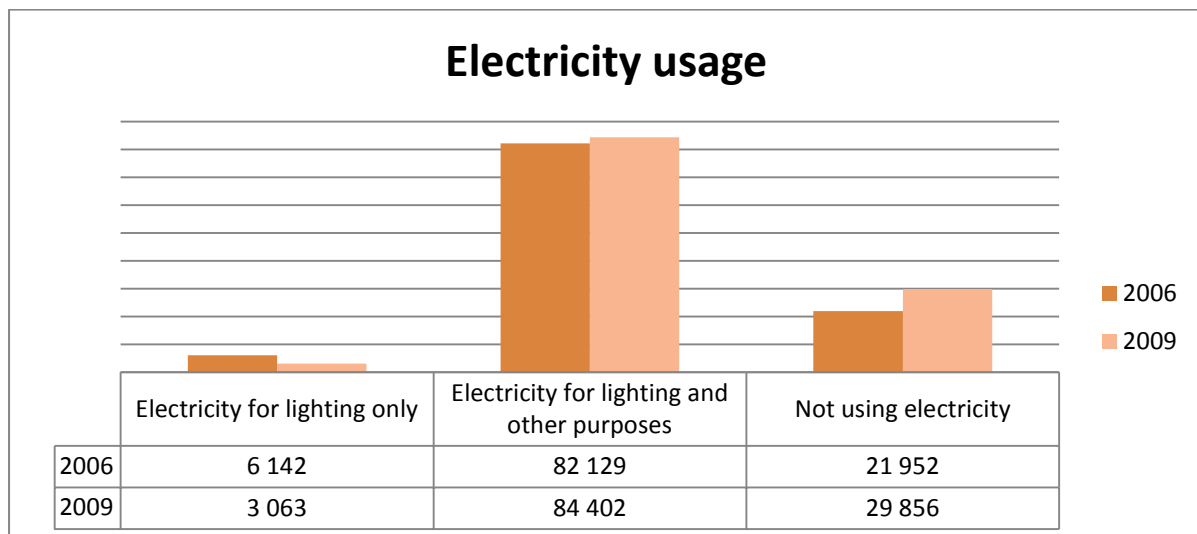
Electricity

Electricity Supply Management

MCLM has made significant strides to increase access for households previously not part of the grid. The challenge is that MCLM electricity supply is operation at near capacity. Our firm supply of electricity over the entire city stands at 160MVA from an installed capacity of 200MVA, with a 150MVA peak demand registered over the five years. In order to increase capacity of electricity supply, a new substation has been constructed in the Muldersdrift area at a cost of R40.0m, whilst four substations are at different stages of upgrades.

Demand Management

The national electricity strategy urges all users to reduce the use of electricity, therefore municipalities are required to develop electricity demand management strategies. The ripple control relay and power factor are some of the strategy used to reduce pressure on the grid. Moreover, MCLM in collaboration with the National Department of Energy have provided households in Munsieville with Solar geysers to reduce demand on the grid.



Source: IHS Global Insight Regional Explorer 2009

As indicated in the table above, household with access to electricity increased by approximately 3000 since 2006. Electricity as basic services has been expanded to all households. Major electricity house connection has been completed in;

- Chief Mogale 750 households
- Ga-Mogale 1500 household
- Singobile 1200 household etc.

The challenge remain largely in rural areas wherein there are privately owned land .In the informal settlements such as Tudor Shaft, Orient Hills, Makhulu-Gama, Pongoville, etc are some of the areas that MCLM is unable to provide electricity as these areas are not proclaimed in term of the town planning regulations. The municipality has however provided illumination in informal settlement and rural areas.

Roads and Storm water Management

The total road network of Mogale City is 1,000km made up of 860km of paved roads and 140km of gravel roads. Gravel roads are in the rural areas and with a small number of unpaved roads in the old townships.

Road network can be broken down further into 100km of main arterial roads and 900km of tertiary roads. Main arterial roads are your city-to-city roads whereas tertiary roads are roads within the suburbs.

In the past financial years, job opportunities created through road and storm water management has yielded over 800 jobs. Since 2006, approximately 32 km of roads has been paved. This is additional paved roads of approximately 1200 road network in MCLM. In recent past MCLM managed to construct the following roads;

- 13.0km of main arterial road has been resurfaced in Krugersdorp CBD, Kagiso and Munsieville at a cost of R27, 8m.
- 37.0km of tertiary road resurfaced in Kagiso, Azaadville, Munsieville, Kenmare and Lewisham at a cost of R28,6 m.
- 10 km of road has been paved in the Rietvallei area.
- 2km of access route in Ethembalethu and Rietfontein Village have already completed.

In the new term of Council the objectives is to continue with paving of gravel roads in the peri- urban areas, such as Tarlton, Magalies, Hekpoort and Muldersdrift.

Moreover, Breaking New Grounds (BNG) housing development, such as Chief Mogale is provided with all requisite basic services of paved roads.

Table below gives details:

Urban Road and Storm water Network Summary

Project and Area of Construction	Construction and Maintenance achievements since 2006	Estimated Cost for Completion	Roads and Storm water for Construction from 2011 and beyond
<p>Construction of roads and storm water networks in the areas of:</p> <ul style="list-style-type: none"> • Kagiso • Rietvallei/Lusaka • Munsieville • Magaliesburg /Ga Mohale 	<p>The successful construction of 32, 8 km of roads and associated storm water networks were completed at a total amount of R 64, 61 m. The total outstanding road backlog program were reduced by 50, 4 %.</p> <ul style="list-style-type: none"> • Kagiso – 12,9 km • Rietvallei/Lusaka – 10,6 km • Munsieville – 5,5 km • Magaliesburg /Ga Mohale – 3,8 km 	<p>The total estimated cost for the construction of 31.9 km roads and storm water network in the listed areas will be approximately R 220,536 m.</p> <p>Kagiso</p> <ul style="list-style-type: none"> • Sinqobile – R 24,7 m • Kagiso CBD – R4.0 m • Kagiso Ext 6 - R 7,2 m • Kagiso Ext 13 – R30,0 m <p>Rietvallei/Lusaka</p> <ul style="list-style-type: none"> • Rietvallei Ext 5 – R 59,14 m <p>Munsieville</p> <ul style="list-style-type: none"> • Pangoville – R9,2 m <p>Magaliesburg /Ga Mohale</p> <ul style="list-style-type: none"> • Ga Mohale – R 24,70 m <ul style="list-style-type: none"> ○ Magaliesburg – R 4,8 m 	<p>The listed areas are currently outstanding for construction to the estimated of 55, 0 km.</p> <p>Kagiso.</p> <ul style="list-style-type: none"> • Sinqobile – 6,18 km • Kagiso CBD – 1,0 km • Kagiso Ext 6 – 1,8 km • Kagiso Ext 13 – 7,5 km <p>Rietvallei/Lusaka</p> <ul style="list-style-type: none"> • Rietvallei Ext 5 – 14,79 km <p>Munsieville</p> <ul style="list-style-type: none"> • Pangoville – 2,3 km <p>Magaliesburg /Ga Mohale</p> <ul style="list-style-type: none"> • Ga Mohale – 1,2 km • Magaliesburg – 6,77km

Rural Road and Storm water Network Summary

Project and Area of Construction	Construction and Maintenance achievements since 2006	Estimated Cost for Completion	Roads and Storm water for Construction from 2011 and beyond
<p>Routine maintenance of rural roads grading, gravelling and upgrading program:</p> <ul style="list-style-type: none"> • Muldersdrift/Nooitgedacht • Tarlton/ Hekpoort • Magaliesburg 	<p>Of the total listed gravel road network of 168 km, in the urban and rural areas, road grading, gravelling and upgrading were done as part of the municipality's routine road maintenance program. To the total value of R 7, 2 m.</p> <ul style="list-style-type: none"> • Muldersdrift/Nooitgedacht – 39,87 km • Tarlton/ Hekpoort- 56,27 km • Magaliesburg – 1,72 km 	<p>The total estimated cost for the construction of 96,311 km roads and storm water network in the listed areas will be approximately R 391,436 m.</p> <ul style="list-style-type: none"> • Muldersdrift/Nooitgedacht – R159,472 m • Tarlton/ Hekpoort – R 225,084 m • Magaliesburg – R6,88m 	<p>The listed areas are currently outstanding for construction to the estimated of 55, 0 km</p> <ul style="list-style-type: none"> • Muldersdrift/Nooitgedacht – 39,87 km • Tarlton/ Hekpoort – 56,271 km • Magaliesburg – 1,72 km

Eradication of informal settlement

Provision of sustainable human settlement remains one of biggest challenges of government. There was a stepped up effort in provision of housing for the rural poor and various projects are at different stages of development, i.e. from pre-feasibility studies whilst others await township establishment approvals whereas other areas have units that are ready for occupation.

In the 1st revised IDP, MCLM has engaged in undertaking detailed studies, which include, geo-technical, EIA and township establishment for the human settlement in the rural areas. The major projects include;

- Hekpoort, portion 1 Volgezand
- Hekpoort portion 256
- Hekpoort Tud tree farm and
- Tarlton Wolvekrans 110.

The second phase of Chief Mogale housing is expected to increase in the new year.

A total of 500 houses of RDP typology were constructed during this term of Council. The major areas of housing delivery are;

- Rietvallei Extension 5 phases 1 and 2, which yielded 933 and 585 units respectively
- Sinqobile phase 2, with 797 units,
- Chief Mogale with 725 units.

The provision of housing also includes conversion of hostels into family units. Whereas work has started at the Kagiso hostel, where 96 new units were completed and which project has stalled because of financial challenges faced by the DLGH, the Munsieville and Commando hostels are under feasibility study for conversion into family units.

In the rural nodes of MCLM, major strides have been made on provision of human settlement. The major areas that have RDP houses are;

- Ethembalethu yielded 203 units
- Rietfontein village provided 84 units
- Ga- Mohale 66 units.

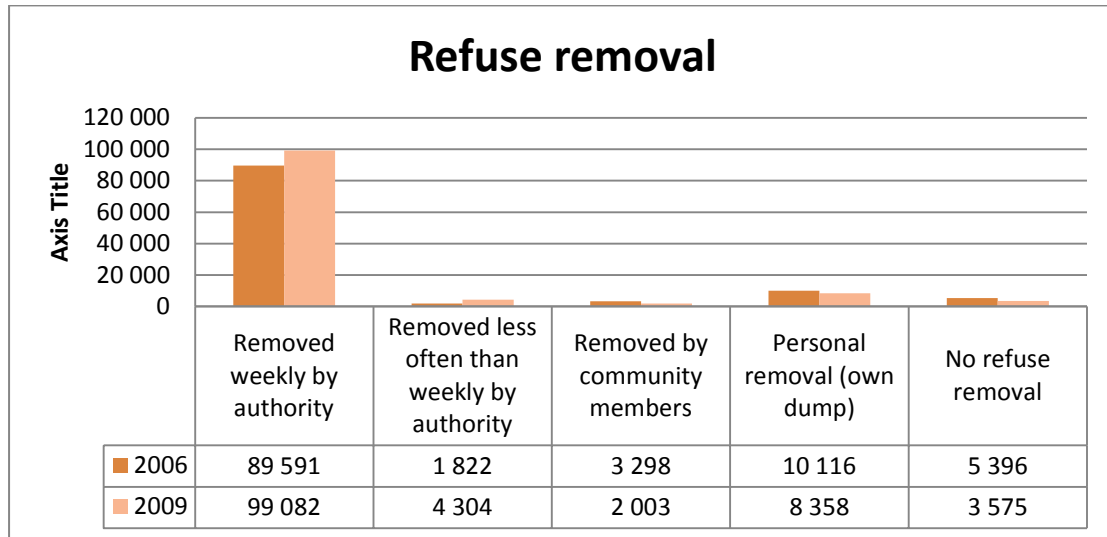
A survey conducted by MCLM revealed a total number of 66 informal settlements in the municipality. A large number being in rural nodes, for instance 13 informal settlements were in Tarlton area only. This reflects that despite huge gains in housing development by government. The challenge is a still daunting to eradicate all informal settlements by 2014.

MCLM has, however, developed a new 5 year housing development plan in order to address this challenge. The strategic plan seeks to pursue partnerships with other private and public entity in order to address this huge challenge.

2.5 ENVIRONMENTAL ANALYSIS

Refuse removal

MCLM focused on expansion of the refuse collection to areas previously not serviced by the municipality.



Source: IHS Global Insight Regional Explorer 2009

The above graph indicates that there are 3 575 households with no refuse removal in 2009 as compared to 5 396 in 2006 which explains that 1 821 household received refuse removal services from the municipality. It also shows that the number of household where refuse is removed weekly by the municipal authority has increased to 99 082 in 2009. The number of household that dump their refuse is also showing a decrease of 8 358 in 2009 as compared to 10 116 in 2006.

Weekly Waste Removal

Extension of waste removal services to all households in MCLM including the rural areas. The TEDCOR and new skip bins to assist with universal access to refuse removal to all households in MCLM.

Illegal dumping

Major challenges that faced MCLM in dealing with the debilitating phenomenon of littering and illegal dumping which had made the city unsightly and the most pristine areas very unwelcoming. In addressing illegal dumping, Clean-up campaigns were conducted in hotspots such as Boltonia, Azaadville, Apple Park, Swaneville and Munsieville. . Awareness education campaigns were also carried

out in Hekpoort and Magaliesburg schools, while concrete pavement litter bins were placed in the following areas:

- 135 in the CBD;
- 12 in Kagiso;
- 6 in Magaliesburg;
- 5 in Munsieville and
- 10 in Azaadville.

Alien Invasive Vegetation Eradication Programmes

Eradication of alien vegetation, especially along the water catchment systems has been identified as one of the environmental problems. MCLM in collaboration with Department of Water Affairs co-ordinated four alien invasive vegetation eradication programmes. Since 2006 more than 2000ha of land affected by alien invasive plants like blue gum and black wattle have been cleared.

Refuse removal expansion

Previously, weekly refuse removal took place in areas of Kagiso, Rietvallei, Munsieville, Krugersdorp CBD and surrounding suburbs only. Additional, as part of creating universal access to basic services, refuse removal was expanded to areas that were previously not serviced by the Municipality. The list includes the following;

- 750 households received refuse collection through skip bins in the rural areas of Matshelapata;
- 300 households received their 240l bins in Munsieville and weekly refuse collection;
- 950 households received their 240l bins in Rietvallei and collection is yet to start.
- 1250X240L bins were distributed in Munsieville and Rietvallei
- 60x Street bins were procured in 2010 and are being installed where needed.

Landfill Management

Waste management, in particular management landfill sites is crucial mandate of local government. MCLM has two operational landfills, Luipaardvlei and Magaliesburg. Both sites does not have operating permit, however, the municipality is in the EIA process with regards to luipaardvlei site. Magaliesburg landfill site decommissioning, MCLM is in the process of identifying alternative site.

Parks and Cemeteries

MCLM Public Parks serves not only as recreational activities, but also provides aesthetic view of the area. In the past financial year, Azaadville Park was constructed to the tune of R 3.6m, yielding a total of 37 job opportunities. The park contains a children road safety area, picnic spots, a maze, two ablution facilities, a multi-purpose court, a volley ball court and various play grounds. The Park was officially handed over to the community in 2010.

One of the most problematic issues was the lack of cemeteries for rural communities. Rural communities had to contend with the long distance they had to travel to bury their loved ones because cemeteries were located in town, and often most did not have transport to ferry their deceased. To compound matters, local farmers often refused for poor families to bury their deceased on their properties. MCLM developed cemeteries in each of the rural areas, Magaliesburg, Tarlton, Hekpoort and Muldersdrif.

Land was purchased, EIA's conducted and cemeteries were developed in Muldersdrift, Hekpoort, and Tarlton and officially commissioned in 2007. Through these construction projects more than 55 temporary jobs were created in the local community. Each of the cemeteries is now within 20km radius from most community settlements. These cemeteries are fully fenced and have tarmac access roads. The cemeteries also have ablution facilities and caretakers were appointed from each ward.

MIG funding of R12m was secured for the expansion of the Kagiso Cemetery. An EIA was conducted. Solar and wind energy will be used at the Kagiso cemetery and will be the first cemetery in the country operating on solar energy. Harmony Gold Mines donated 54 Ha of land for the expansion of Kagiso cemetery.

The Municipality has also engaged a private developer through a competitive bidding process to develop a Mausoleum at the Sterkfontein Cemetery. A lease agreement was concluded in 2009 and construction is anticipated to commence by mid 2011. A Mausoleum By-Law was also developed to guide the interment of deceased in the mausoleum. The purpose of this initiative is to provide an alternative burial method and safe burial space in the long run.

2.5 SOCIAL ANALYSIS

The social programme of the MCLM has been largely based on creating social upliftment and social recreational activities. The achievements include increased households that been assisted through the indigent registration and support of vulnerable groups, such as children, women and the disabled.

Social Upliftment

In the previous 5 years, there were approximately 18000 households registered in the indigent register. This was achieved through the mass campaigns led by the Executive Mayor. Recently, MCLM embarked on a decentralisation programme for indigent offices and is making them available in various areas of the city. A new interactive website has been introduced to reduce service requests at our customer points. The aim is to assist all households, especially the poor community to live a better life.

Vulnerable and Special Groups

Government acknowledges that children, women and the disable are vulnerable groups in poverty situations and usually lack opportunities to break away from the situation. Thus, the following programmes are in place;

Local Programme of Action for Children (LPAC)

Early Childhood Development Centres

Early Childhood Development (ECD) programme is dedicated to children between 0-6 years. The programme has targeted the crèches facilities. MCLM has completed audit of all ECD centres to determine the status of readiness of registration, check the qualification of care givers and assist to register them. Registered ECD centres receive a government subsidy of R9 per day per child. In addition two Early Childhood Development Centres were completed in Munsieville and Kagiso respectively during the 2009/10 financial year.

Orphans and Vulnerable Children

Orphans and vulnerable children programme targets children with one or both parents that are deceased, children that do have parental guidance and support as well as child headed families. Mogale City has collected data on orphans and vulnerable children from schools and non-governmental organisation. The children in the database are linked to the Bana Pele Programme, which beneficiaries receive school uniform, school fees exemption, and school nutrition and government social grants.

Gender Base Programmes

Gender forum

Gender forum consists of both women and men to address social issues, such as gender based violence. There are 30 volunteers trained to do awareness during 16 days of activism against women and children campaign.

Maternal health

The maternal health programme aims to assist educate and support women in the prevention of cervical cancer, mother to child transmission as well as teenage pregnancy. Significantly, the number of people that benefited from this programme including 2009/10 financial year is indicated below:

- | | |
|----------------------|--------|
| • Family Planning | 19 763 |
| • Cervical Screening | 3516 |
| • Ante-natal care | 10 291 |

Programmes for the Elderly

Elder Support Programme

Elderly support programme aims to provide wellness activities to promote healthy lifestyle. This is achieved through a partnership with Non - Governmental Organisation, namely Aged in Action to do morning exercises as well as undertake health talks. There are 9 active clubs that participate in the elderly support programme. Moreover, there are quarterly screening programmes, such as chronic disease.

Elderly Sports Programme

Elderly sport is a seasonal programme, which is undertaken in partnerships with Gauteng Sport, Art and Recreation. The objectives of the programme are to facilitate the active participation of the elderly sport competitions.

Thusong Service Centres

In collaboration with the Office of the Premier, the municipality launched five Thusong Service Centres in Kagiso, Munsieville, Hekpoort, Muldersdrift and Tarlton to enable easy access to government services to the communities.

Skills development programmes in construction and related activities are facilitated in Kagiso and Burgershoop in partnership with the Department of Public Works and the Gauteng Department of Communication and Information Services.

Sport facilities

During the term of Office, the municipality upgraded some of the sports complexes. These included the following:

- Munsieville
- Rietvallei 2 & 3
- Kagiso Ext. 13
- Lusaka
- Johanna Botha Park
- Kagiso swimming pool
- 30 fields graded at an average cost of R75 000,00 per annum

A total headcount of 199 758 accessed our sport facilities, which, were used for amongst others, for the Ward Games, the Patrick Ace Ntsoelengoe Games, co-hosting of the OR Tambo Games and the Mass Participation Programme.

The Mass Participation Programme activities were sustained at four sport hubs: namely, Munsieville, Kagiso, Lusaka and Muldersdrift. This programme is undertaken in collaboration with the Provincial Department of Sport, Arts, Culture and Recreation. Activities included soccer, netball, aerobics and so forth

Youth Development Programmes

Participation of youth in government programmes, is regarded as an influential means to focus on social development. The Office of the Executive Mayor assist with youth development programme in the following areas;

Annual Township Arts Festival.

The program intends to engage, support and promote young people who are in the art fraternity. All wards in the municipal area will benefit from this initiative.

Establishment of youth cooperatives

In line with the national programme of establishing cooperatives to create more jobs and sustainable livelihoods, Mogale City Local Municipality through the office of the youth liaison officer has undertaken the facilitation of establishing youth cooperatives. In the 2010/11 financial year five youth cooperatives have been established benefitting a total number of 60 young women and men across the city.

Public Private Partnership Skills Development Programme

Through the partnership TJEKA skills development institution, an agreement has been reached to engage the youth in skills development that include:

- Welding,
- Boiler making,
- Bricklaying,
- Tiling
- Plastering
- Plumbing etc.

Mogale City Lindi Nzondo Memorial Games

This annual event is named after a heroine of the struggle and former Chief Whip of Mogale City Local Municipality. It seeks to engage young people in sporting activities and thus promoting a culture of healthy lifestyles and responsible citizenry.

Youth unemployment and socio-economic development programme

The aim of this program is to offer young men and women training in both technical and entrepreneurial skills. So far the following training programmes have been rolled out.

- Marketing Skills
- Business negotiating and management
- Quality development and maintenance
- Pricing and quoting

Mogale City Career Expo

This program targets learners in all schools within the jurisdiction of the municipality. It further encourages matriculants who are still not following any career path to look for available careers and pursue them accordingly.

Learnership Programme

The aim of this programme is to provide learnerships in partnership with relevant government and private institutions to the youth of Mogale City.

Youth Business Networking Sessions

This initiative is aimed at pulling existing and potential young entrepreneurs together so as they can share experience in so far as business management and economic opportunities are concerned. Capacity building for the leadership of the ward based

Youth Forums

The leadership of the ward based youth forums is at the coal face of the implementation of youth development programmes and the municipality has made an undertaking to ensure that such leadership has the requisite skills to face the convoluted day to day running of the forums. So far the youth forums were engaged in a programme of leadership skills and will in future receive training in business administration and other training that will be identified as relevant to their operations.

Young positive living ambassador programme

This programme is driven by young women and men who are infected and affected by HIV/AIDS. The objective of the programme is to educate young people about safe sex, positive living and caring for those who are infected.

Public Safety

MCLM has embarked on road safety campaigns and has conducted roadblocks regularly to minimize road accidents and to comply with the National Road Traffic Act. There have been several initiatives to curb land invasion and promote public safety.

The municipality has also been involved on Social Crime Prevention programmes on prevention of women and children abuse. In conjunction with the SAPS the municipality has been active in the operation of the Community Policing Forums.

Visible Policing

In an effort to have police visibility, the municipality provided a fleet of vehicles. A new fleet of 36 vehicles for the traffic officers was procured during the financial year under review. It is hoped that communities of Mogale City is safer with increased policing activity.

Road Safety Awareness

MCLM has embraced early intervention for awareness safety. The local municipality traffic safety programme targets teenage school children in primary schools all around the city. During previous financial year, 8346 children were trained in the road safety. MCLM intends to continue providing safety awareness to reduce the road fatalities.

Payment of fines

Moreover, service providers, were procured to assist the Municipality set up and sustained two interactive websites for traffic fines:

- www.viewfines.co.za
- www.payfines.co.za

Additional payment channels were set for traffic fines – Standard Bank, pay@, Payfines and First National Bank. The Municipality has created a easier and quicker means for motorist to pay the traffic fines.

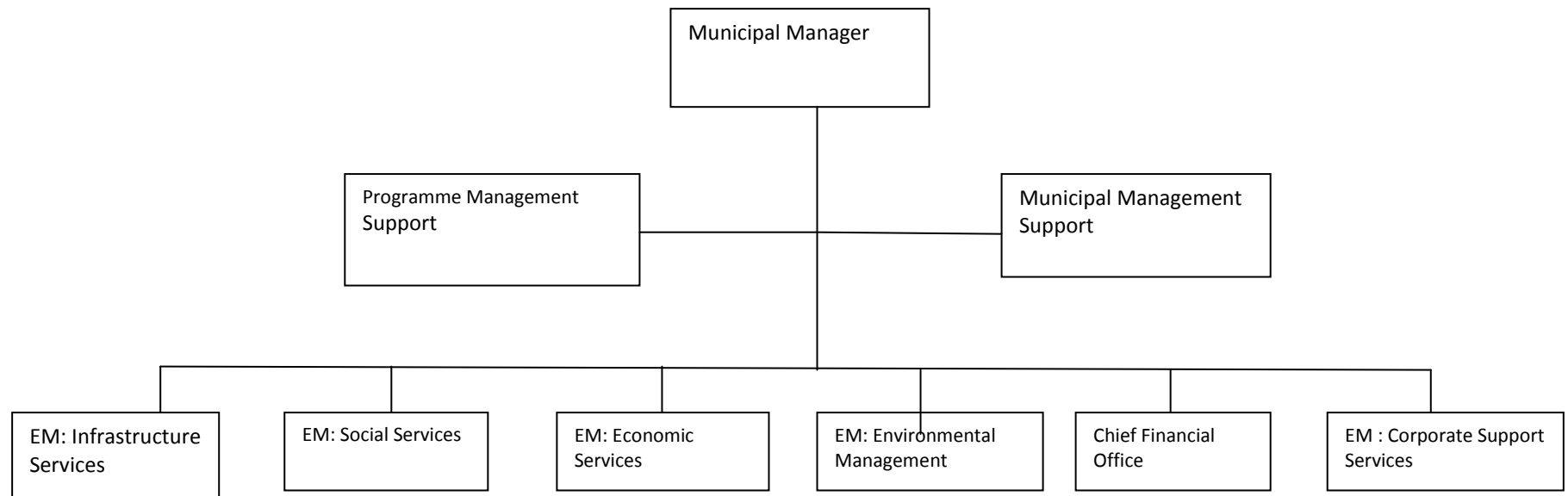
2.6 INSTITUTIONAL ANALYSIS

Municipal Grade

The Institutional arrangement of Mogale City as a medium capacity municipality, category B, grade 4 municipality is in terms of the provision of Local Government: Municipal Structures Act, 1998, as amended.

Organogram

Mogale City's organogram reflects that all 6 Section 57 posts are filled and the staff compliment is 1 700 filled posts. The senior level organogram is as follow;



Employment Equity

The Employment Equity Programme in the City has shown significant progress in all various levels of Management. The number of female managers is slightly lower than that of male managers. The latest figures are as follows;

Employment equity figures

Employment Equity status		Male	Female
2009/10	Section 57 Managers	4	3
2010/11		5	3
2009/10	Managers	21	9
2010/11		22	10

The table above indicates that Mogale City has a long way to go in addressing the ratio of male to female equity. It is hoped that the employment of female managers would be a priority in addressing employment equity.

An Employment Equity & Transformation (EE&T) Committee has been established and an EE report was finally submitted to the Department of Labour in compliance with the legislation. EE Plan for the municipality was drafted and consultation with labour is in progress. The EE plan serves to ensure fairness with the recruitment of employees from designated groups. With the continued attempts to adhere to the Act, the Municipality is now over-represented in terms of designated groups. In as much as that was achieved, the Municipality remained under-represented within the disabled group. In trying to address the matter a decision was taken in October 2010 to increase the number of disabled workers and to date the Municipality has increased the number of disabled employees to 22.

A language awareness campaign was facilitated for MCLM to create awareness on different languages within MCLM, inclusive of the sign language.

Employees Wellness Services Office

The Employee Wellness Services Office with its objective of offering assistance to employees, has facilitated the regular and successful hosting of programmes/projects that are aligned to the National Calendar i.e. Wellness Day, Women's Day, Candle Light Memorial, Condom and STI Week and Mental Health Day. The Office has also heeded the call to commemorate Mandela Day, 16 Days of Activism as well as World AIDS Day.

In addition to that, the office has also facilitated various Employee Assistance Programmes through the following life skills programmes, i.e. Voluntary Counselling and Testing, Drugs and Alcohol dependency sessions, Financial Awareness sessions, including offering various forms of counselling to employees. A majority of employees have benefited from the EAP interventions implemented.

Occupational Health and Safety (OHS) Office

The completion of the OHS Compliance Audit was a huge step in ensuring that the Municipality complied with the OHS Act. An OHS System has been developed and awareness campaigns are being conducted about the implementation of the system and compliance. The Municipality is currently 75% compliant in relation to OHS legislation

HIV and Aids Work Plan

The impact of HIV and Aids in the work place has been huge, in particular in general labourers. The HIV and Aids work plan has been used to mitigate the impact, through HIV and aids sessions held on:

Table 12: HIV and Aids workplace plan

Voluntary Counselling and Testing	3 sessions	956 people tested
Peer Educations training	5 sessions	18 people attended
HIV and Aids workplace forum	Quarterly	3

Financial Audit Committee

MCLM has maintained an independent Financial Audit Committee which operates in terms of the provisions of the Local Government: Municipal Systems Act, 2000 and the Municipal Finance Management Act 56 of 2003.

In complying with the principles of good governance, the Audit Committee has an approved Audit Committee Charter which has been regularly updated. In the conduct of its duties, the Audit Committee has performed the following activities:

- The quality and integrity of the financial reporting process
- The system of internal control
- The organisation's process for monitoring compliance with laws and regulations and code of conduct
- Internal and External Audit functions
- Performance Management
- The risk management and governance process.

Furthermore, the Audit Committee has effectively overseen and approved the activities of the Internal Audit unit which operates independently in accordance with an approved Internal Audit Charter and the provisions of the Municipal Finance Management Act 56 of 2003. The internal audit unit has shared the results of their work with the external auditors who placed reliance on their work.

Performance Audit Committee

MCLM has a functional Performance Audit Committee in terms of the provision of the Local Government: Systems Act, 2000 and Municipal Financial Management Act. The Committee consists of independent external expertise in finance, performance management and risk management.

Performance Management

Both individual performance management of managers reporting to the Accounting Officer and the organisational performance management system are undertaken each year. The organizational Quarterly and Annual performance management reports are submitted to the Performance Audit Committee.

Risk Management

An Enterprise Wide Risk Assessment project was conducted during the financial year 2009/10. The Municipality quarterly monitors the most significant risks at an organizational and departmental level. The risk management process is further overseen by the Executive Management team (Risk Committee) and the Audit Committee.

SECTION C: Strategic Goals and Inter-Governmental Alignment

1. VISION AND MISSION

MCLM has developed vision and mission that is intended to be guiding principles for the long, medium and short term objectives. This is a commitment by MCLM through:

Vision

Immediately after the new 2006 election, concept begin conceptualize a vision that would drive the vision for MCLM. As local government is in the forefront of government service delivery programme, MCLM vision was conceptualized with the view of leavening the idea. Thus MCLM adopted vision is *“Quality service delivery for all in Mogale City”*

Mission

The principles of providing a quality services delivery is driven by the mission to realize the vision. In this case the mission is *“To provide as Integrated Municipal Governance System for improved quality of life for all communities of Mogale City”*.

Core Business Values

- Integrity
- Accountable
- Diligent
- Considerate
- Participative
- Responsive

3.2 STRATEGIC GOALS AND OBJECTIVES

Immediately after the newly elected Council took office in 2011, the political objectives were expressed as Mogale City's Strategic objectives of 2011- 2016. The Strategic objectives intend to set programme in motion for the five- year IDP programme. The Strategic objectives outlined service delivery and infrastructure development, human Settlements, local economic development, Social Services, rural development and environmental sustainability;

Service Delivery and Infrastructure Development

The major priority of the strategic goal is job creation through service delivery and infrastructure development. In particular it is the provision of basic services, of water, sanitation, electricity etc, in all areas.

Economic growth and Development

The major priority is local economic development, special emphasis is placed on local procurement of goods and services.

Social Development

The major priority is on poverty alleviation through social upliftment programme such as indigent management, Local programmes for special groups such as children, women, the disabled and the elderly.

Democracy and Good Governance

The engagement of communities through various mechanisms, including Mayoral road shows, enhancement of the role of ward committees and the five identified sectors viz. business, labour, youth, religious grouping and safety

The political priorities outlined for administration to implement in Mogale City are as follows:

- To provide sustainable services to the community
 - Physical infrastructure services
 - Social services
 - Economic services
- To promote a sustainable environmental management system
 - Open space management (parks, cemeteries)
 - Municipal health (waste management, public health)

- Environmental compliance facilitation
- To provide sustainable governance for local communities
 - Broaden local democracy
 - Local government accountability
- To ensure sustainable governance practices within the Municipality
 - Corporate governance practices (legal compliance)
 - Business leadership/management(planning, structuring, culture, performance management, stakeholder relations management, communication)
 - Resource management (people management, financial management, ICT management, information / knowledge management, asset management)

Strategic Goal 1: Sustainable services to the community

This strategy incorporates three major service delivery areas of Mogale City, which are Infrastructure Management, Social and Economic Services departments.

Infrastructure Service Programme

This programme is largely driven by the department of Infrastructure services that include Water and Sanitation, Electricity and Roads and Storm water subunits. It is responsible for large capital infrastructure delivery In Mogale City.

The infrastructure service programme implementation is guided by the Infrastructure Management Strategy. The Strategy remains the overarching plan for increase job opportunities, increase direct public investment, skills development, develop partnerships with local co-operatives and other service providers.

The major objective of this programme is to address all the basic service delivery backlogs as per National universal assess of basic services by 2014. The 2014 targets are as follow;

1. Universal access to water by 2008
2. Universal access to sanitation by 2010
3. Universal access to roads by 2009-2011.
4. Universal access to electricity by 2012.
5. Eradication of informal Settlement by 2014.

The major challenge in provision of basic services and attain universal access to basic services in some households that reside on privately own land and households that reside in areas not proclaimed for human settlement. It should be noted, that it government policy to provide any public resources in private and un-proclaimed property.

Despite, the challenges above, MCLM implementation programme to address the provision of basic services is carried out through the Municipal Infrastructure Grant (MIG), other grants, with the assistance of Gauteng Housing Department as well as using own funding. The programme focuses on the most urgent target, for instance;

Universal Access to Water

MCLM universal access to water target has been achieved to a large extend. As indicated above, households with no access to piped water are in privately own land. MCLM has dedicated resources to assist these households by providing stand pipes along settlements and in other cases provide tank water.

Universal Access to sanitation

MCLM aims to eradicate all sanitation backlogs by 2012. In terms of the sanitation targets programme, there are approximately 7000 households, mainly in the rural areas, that need to be provided with RDP standards of access to basic sanitation.

Universal access to electricity

Electricity availability and access backlogs remains confined to the informal settlements and in rural areas of MCLM. The electrification programmes has focused in providing illumination through high mast lights in informal settlements.

Eradication of informal settlements

In-migration and farm eviction remains the biggest challenge in MCLM plan to eradicate informal settlements. In-house study of all existing informal settlement in MCLM from June-July 2009 revealed the following;

- There are currently, 66 informal settlements, with 3 large settlements being Tudor Shaft, Soul City, Pango and Makhulu Gama. In the rural areas, there are 63 sporadic informal settlements.
- Moreover, MCLM has assisted evicted farm dwellers on emergency site and services.

Social Services

Social Services department provides crucial service delivery areas through Social upliftment, Public Safety as well as Sport and Recreation units. This programme focuses on social issues of such as:

Social Upliftment sub programme focuses on the following areas:

- Poverty alleviation activities such as, the facilitation of the indigent management. The objective of this programme is to create safety nets for poor people. A large number of the poorer communities are in the informal areas and in the rural areas.

- Empowerment of women, children, youth, the disabled and the elderly is also a major programme of social upliftment. The objective of the sub programme is to provide assistance to vulnerable people of the community in Mogale City.
- Public Safety sub-programme provides services in municipal police activities such as;
- Road safety policing and public safety encourage community safety through the visible policing of the road traffic. The programme starts with the school children on road safety and scholar patrol.
- Libraries, Sport, Art and Recreation sub-programme is responsible for services such as library outreach programme

This programme aims to attract large number of people to use community libraries around MCLM. There are 10 libraries that provide 6 days per week services to the community. The objective as outlined in the Service delivery and Budget Implementation Plan of the previous financial year involves participation of schools . The programme also provides other services that include, outreach to schools through readathon and mobile-library.

Provision of sport facilities and related activities

MCLM has one of the world class sports facilities, for instances, during the 2010 soccer world Cup, Bekker School sports facility in Tarlton was used as training ground for Portuguese soccer team. However, many more sport facilities needs to be improved to this level.

Development and promotion of heritage and arts activities

MCLM, also known as Cradle of Human Origin, has one of the important Heritage sites. Thus the objective is that heritage is preserved for all to enjoy. The heritage museum is one of the prides of MCLM. It targets' largely local schools.

Primary Health Care sub-programme focuses on the following areas:

- Management of Primary Health Care Services such as clinics management and operations
- Child Health Care Program
- Maternal health and family planning
- HIV and Aids and disease programme.

The aim of this strategic programme is to provide access to health care to all communities of Mogale City through provision of health care facilities in close proximity to residences.

Economic Services

The Economic Services Programme is part of the strategic objective 1 of sustainable services to the community. The intension of this programmes to provides sustainable local economic development. The Economy Service Department consists of Development Planning, Housing and Enterprise Development.

The sub programme, Development Planning consists of;

- Spatial Planning
- Building Control

Development Planning

This sub-programme adjudicates on new building plans, develop spatial development. This sub-programme objective is to facilitate direct investment and thus assists in creating opportunities for job creation.

Meanwhile, the rural development sub- programme is responsible for rural development programme and assist in cases of farm evictions. The major objective is to assist in formalising settlements, through site and services. Moreover, other activities are to assist people evicted from farm areas and other emergency relief in the surrounding areas. The

Human Settlement

Housing delivery is facilitated through the housing unit, which works together with Gauteng Department of Housing (GDoH). The sub-unit is responsible to register, allocate and handover housing unit and title deeds to beneficiaries

The municipality has developed a five year Housing Plan for the city as well as a database of existing informal settlements in Mogale City. Awareness campaigns to inform communities about the status of their informal settlements in our development plans.

The recently constructed housing development that are to continue in the new 5 year term of Council are:

- Chief Mogale Housing Development.
- Rietvallei
- Ethembalethu etc

The Enterprise Development sub- unit on the other hand has;

- tourism development,

- SMME, and
- business licensing.

Increase of tourism

Tourism is set to provide redirect and indirect job opportunities. MCLM tourism programme is to leverage on the Cradle of Human-kind, Sterkfontein Caves, Maropeng, as major tourist destinations in the area. In addition, the programme sets to further develop township tourism as a new platform for tourism. Kagiso and Munsieville Tourism route have been developed. Expansion of the tourism to these areas is expected to have some economic spin-off.

Assistance of Small Business

The objective is to facilitate local investment, small business development and job creation. Moreover, it provides service by assisting in formalisation of informal business as well as the establishment of new business in Mogale City.

Strategic Goal 2: to promote a sound environmental management system

The promotion of sound environmental management system is objective that is largely driven through by the programme of Integrated Environmental Management. The programme further has the sub-programme of;

Environmental Management

The goal of this strategic programme is to deliver services of:

- Manage refuse removal, recycle and minimise waste at the municipal landfill sites.
- Promote urban greening, open spaces management and management of municipal parks.
- Promote sustainable environmental management and mitigate all environmental impacts.
- Municipal Health Services
- The municipal health programme focuses on the prevention of illegal dumping and promotion of refuse removal. The management of landfill sites of Luipaardvlei and Magaliesburg remains the major part of this programme. The objectives of the programme is to minimize, reduce and recycle all waste in MCLM.
- Parks and Cemetery Management
- The development of rural cemeteries in Tarlton, Muldersdrift, Magaliesburg and Hekpoort has been the most successful outcome of this strategic goal. The development parks such as the Azaadville and Kagiso regional park are some of the achievements of the programme.

Strategic Goal 3: To provide sound governance for local communities

This strategic goal, especially a sub-program of broadening democracy, refers to both political and administrative responsibilities in the offices of the Executive Mayor, Speaker and the Office of the Municipal Manager. The programme is largely responsible for public participation activities, such as that of the IDP and Budget process.

Local Government: Systems Act and Municipal Finance Management Act provide that Municipal governance programme should incorporate public participation process that includes community inputs in the IDP and the budget. During the month of November, Mogale City engaged the local community on Service Delivery and Budget Implementation Plan reports and finance report. Meanwhile, the ward committee and the public are requested to provide inputs on the new IDP as well as provide proposals on the budget for the new financial year.

The programme of promoting sound governance includes;

- IDP and Performance Management
- Internal Audit Unit
- Financial Audit Committee and Performance Audit Committee.

In the sub-programme of ensuring local government accountable, which is also in the strategic goal 3, the key driver is the finance management department. This department programme is to ensure that the municipal finances are well managed in accordance with the required legislative procedure. The department consists of the following sub-units:

- Treasury and Budget Office
- Expenditure
- Revenue and
- Supply Chain Management

Strategic Goal 4: to ensure sound governance practices within the Municipality

This strategic goal refers to institutional management improvement issues, which is largely in the programme of corporate management. This involves;

- Institutional transformation and management.
- Training and skill management.
- Human Resource management.

The corporate support management programme has the following sub-units;

- Corporate Services
- Legal Services
- Secretariat
- Human Resource Management

The objective of the programme is to ensure that the City provide all stakeholders with the quality municipal practice.

- Programmes
- Projects

Inter-Governmental Alignment

The City has always subscribed to the spirit of co-operative governance in order to ensure that government efforts of service delivery are aligned. The IGR Framework Act 13 of 2005 requires all spheres of government to coordinate communicate and effectively align integrated service delivery. The Act provides a legislative platform to intergovernmental

Alignment, which refers to the following:

- Alignment of budgets across all spheres of government;
- Consult other organs of state (including inter-municipal cooperation);
- Coordinate actions on policy to maximise impact;
- Avoid unnecessary and wasteful duplication of efforts;
- Share information across spheres and respond promptly to community needs; and
- Ensure joint participation in inter-governmental structures

3.3 ALIGNMENT TO NATIONAL AND PROVINCIAL GOVERNMENT STRATEGIES

MCLM, within the spirit of Inter-government relations, supports and aligned to the national and provincial strategies such as Government 12 Outcome Delivery Agreement, National Development Perspective, Local Government Turn-around Strategy, Gauteng wide priorities and programme of Action, MEC Comments on 2009/10 IDP, Gauteng Global City Region, and establishment programme 2016 and 2022 Unit-city and Metropolitan for the West Rand District constituent municipalities.

Government 12 Outcome Delivery Agreement

In Mid-2010, Government developed 12 Outcomes as key focus areas of work until 2014. It is a negotiated agreement between the key stakeholders of government. The Minister of Corporate Governance and Tradition Leadership and SALGA have agreed to consider critical role of local government in the total spectrum of the 12 Outcomes in particular Outcome 9.

The vision of Outcome 9

The vision of Outcome 9 is a responsive, accountable, effective and efficient local government system whereby we have restored the confidence of our people in the local sphere of government as the primary expression of the developmental state by 2011 and beyond. Key ways to achieve this vision are by:

- i. Ensuring that municipalities meet the basic service needs of communities
- ii. Building clean, effective, efficient, responsive and accountable local government
- iii. Improving performance and professionalism in municipalities
- iv. Improving national and provincial policy, oversight and support.
- v. Strengthening partnerships between local government, communities and civil society

The output objectives set-out on the Outcome 9 are as follows;

Outcome 9 Outputs

Output 1: Improve access to basic services

Sub outputs: Improve universal access to basic services by 2014 as follows:

- Water from 92% to 100%
- Sanitation from 69% 100%
- Refuse removal from 64% to 75%

- Electricity from 81% to 92%
- Establishment of Bulk Infrastructure Fund
- Establishment of special purpose vehicle for municipal infrastructure

Output 2: Implement the Community Work Programme

Sub outputs:

- Implement the CWP in at least 2 wards per municipality
- CWP to support the creation of 4.5 million EPWP job opportunities
- 30% of all CWP job opportunities can be associated with functional co-operatives at local levels by 2014

Output 3: Action supportive of Human Settlement outcomes

Sub outputs:

- Initiating actions to increase densities in Metros and large towns by 2014
- Release public land for low income and affordable housing to support delivery of 400 000 housing units in well located land

Output 4: Deepen democracy through a refined ward committee model

Sub outputs:

- Broaden participation of and better organise various sectors at local level
- New approach to better resource and fund work and activities of Ward Communities
- Put support measure in place to ensure at least 90% of Wards are fully functional.

Output 5: Improve Municipal Finance and Administrative capacity

Sub – outputs:

- Unqualified Audit from municipalities
- Average monthly collection on billing raised to 90%
- Debtor more than 50% of own revenue from 24% to 12%
- Ensure that percentage of municipalities that are overspending on OPEX improve 8% to 4%;
- Municipalities under-spending on CAPEX reduce from 63% to 30%
- Spending less 5% on OPEX repairs and maintenance reduce from 92% to 45%

2014 Vision

As part of South Africa's celebration of 10 years of democracy, National Government formulated Vision 2014 to guide itself for the next ten years. The vision is to build a society that is truly united, non-racial, non-sexist and democratic. Central to this is a single and integrated economy that benefits all. The combination of some of the most important targets and objectives making up Vision 2014 are as follows:

- Reduce unemployment by half through new jobs, skills development, assistance to small businesses, opportunities for self-employment and sustainable community livelihoods.
- Reduce poverty by half through economic development, comprehensive social security, land reform and improved household and community assets.
- Provide the skills required by the economy, build capacity and provide resources across society to encourage self-employment with an education system that is geared for productive work, good citizenship and a caring society.
- Ensure that all South Africans, including especially the poor and those at risk – children youth, women, the aged and people with disabilities – are fully able to exercise their constitutional rights and enjoy the full dignity of freedom.
- Compassionate government service to the people: national, provincial and local public representatives who are accessible; and citizens who know their rights and insist on fair treatment and efficient service.
- Massively reduce health risks such as tuberculoses, diabetes, malnutrition and maternal deaths and turn the tide against HIV and AIDS, and, working with the rest of Southern Africa, strive to eliminate malaria, and improve services to achieve a better national health profile and reduction of preventable causes of death, including violent crime and road accidents.
- Significantly reduce the number of serious and priority crimes as well as cases awaiting trial, with a society that actively challenges crime and corruption, and with programmes that also address the social roots of criminality.
- Position South Africa strategically as an effective force in global relations, with vibrant and balanced trade and other relations with countries of the South and the North, and in an Africa that is growing, prospering and benefiting all Africans, especially the poor.

National Spatial Development Perspective

Government is committed to economic growth, employment creation, sustainable service delivery, poverty alleviation programmes and the eradication of historic inequalities. In order to ensure that infrastructure investment and development programmes are channelled towards these objectives, the National Spatial Development Perspective (NSDP) was formulated. The principles enshrined in the NSDP are thus of great importance to local government investment, through the IDP and capital expenditure.

The National Spatial Development Vision is as follows:

South Africa will become a nation in which investment in infrastructure and development programmes support government's growth and development objectives:

- By focusing economic growth and employment creation in areas where this is most effective and sustainable;
- By supporting restructuring where feasible to ensure greater competitiveness;
- By fostering development on the basis of local potential; and
- By ensuring that development institutions are able to provide basic needs throughout the country.

The NSDP thus seeks to focus the bulk of fixed investment of government on those areas with the potential for sustainable economic development, as it is in these areas where government's objectives of promoting economic growth and alleviating poverty will best be achieved.

Gauteng Growth and Development Strategy (GDS)

The GDS is an action-orientated strategy intended to build a sense of provincial unity and responsibility amongst all sectors of society towards reducing poverty and unemployment, creating jobs and ensuring socio-economic transformation in the Province. It provides a practical framework to substantially raise the Province's growth rate and create substantial numbers of sustainable jobs over the next decade.

It supports the Province's and the country's long term vision of human rights based, just, equitable and fair society in an established democracy.

The vision of the GDS is to ultimately create a better life for all citizens, including the Continent, through:

- Long term, sustainable growth of the provincial economy
- Meeting the socio-economic development needs of our people
- Creating jobs, and
- Reducing unemployment and poverty.

The GDS reflects six strategic objectives towards achieving this vision, namely:

- Provision of social and economic infrastructure and services that will build sustainable communities and contribute to halving poverty;
- Accelerated labour absorbing economic growth that increases per annum and that will create long-term sustainable jobs and contribute to halving unemployment;
- Sustainable socio-economic development;
- Enhanced government efficiency and cooperative governance;

- Deepening participatory democracy, provincial and national unity and citizenship;
- Contributing to the successful achievement of NEPAD's (New Partnership for African Development) goals and objectives.

The following are the strategic levers proposed to enact the GDS:

- Provision of an accessible, affordable, reliable, integrated and environmentally sustainable public transport system.
- Gautrain.
- Provision of housing.
- Public safety and urban information system.
- 2010 Football World Cup.
- Public health services.
- Human resource development.
- Small Medium Micro Enterprise (SMME) Support.
- Broad Based Black Economic Empowerment (BBBEE).
- Social development.
- Government institutional efficiencies.
- NEPAD.

The National 2014 Vision, National Spatial Development Perspective and Gauteng Growth and Development Strategy have the following collective objectives:

- a commitment towards economic growth
- employment creation
- sustainable service delivery
- poverty alleviation programmes, and
- the eradication of historic inequalities.

Gauteng Global City Region Perspective (GCR)

Objective of the GCR is to build Gauteng as an integrated and globally competitive region, where the economic activities of different parts of the province complement each other in consolidating Gauteng as an economic hub of Africa and an internationally recognised global city-region.

Gauteng as a globally competitive region will be characterised by the following common features:

- Clear leadership
- A vision and strategy
- Effective institutional relations
- Strong economic clusters, with a particular view to building new growth sectors

- Good telecommunications and business linkages
- 'Spatial coalitions' of partners working together – primarily government, business and social partners
- A balanced approach to development, that actively incorporates and seeks to spread benefit to the poor.

Local Government Turnaround Strategy

Emanating from the assessment of local government by the Department of Cooperative Governance and Traditional affairs was the state of local government report which identified the major setbacks of this sphere of government. The report revealed that municipalities were characterised by underperformance and dysfunctionality. Contributory factors to the aforementioned challenges is the continued lack of sufficient resources to meet the ever increasing community needs and incapacity in terms of the necessary skills required to fulfil local government's constitutional mandate.

After a lengthy process of broad consultation with a variety of stakeholders, the Department of Cooperative Governance under the leadership of its incumbent minister, Mr. Sicelo Shiceka, has developed a turnaround strategy that provides a framework for all role players to contribute to the provision of an enabling environment for municipalities to carry out their legislative mandate. Components of the Turnaround strategy are listed below:

- Addressing immediate financial and administrative problems in municipalities
- Regulations to stem indiscriminate hiring and firing
- Ensure & implement a transparent municipal supply chain management system
- Strengthen Ward Committee capacity & implement new ward committee governance model
- National and provincial commitments in IDPs
- Differentiated responsibilities and simplified IDPs (agreement with each municipality on the ideals scope of functions to be provided and how best the State can support service delivery through intergovernmental agency arrangements).
- Funding and capacity strategy for municipal infrastructure (funding and capacity strategy for municipal infrastructure in rural areas including extending MIG grant to 2018 and utilising annual allocations to municipalities for repayment of loans in order to accelerate delivery)
- Intergovernmental agreement with metros on informal settlement upgrade including alignment of MIG (Cities) and Housing Subsidy grants
- Review and rearrange capacity grants & programmes, including Siyenza Manje support for a more effective support and intervention programme including Rapid Response Teams and Technical Support Units

- Upscale Community Works Programme to ensure ward based development systems;
- Implement the Revenue Enhancement – Public Mobilisation campaign
- Launch the “good citizenship” campaign, focusing on governance values to unite the nation and mobilize involvement in local development affairs
- Preparations for next term of local government inspire public confidence including commitment by political parties to put up credible candidates for elections.

Mogale City Local Municipality has ensured that there is conformity by aligning its local strategy to the local government turnaround strategy. Furthermore Section E has projects that will ensure that the objects of the strategy are realized.

SUMMARY LOCAL DEVELOPMENT STRATEGIES

Spatial Development Framework

The Municipality has adopted reviewed Spatial Development Framework. In order to give effect to the objectives and strategies Municipality, Spatial Development Framework set out certain key interventions. These are divided into two categories, namely:

- Further studies, plans and policies; and
- Catalytic projects and capital investment.

Further Studies, Plans and Policies

The following detailed studies, plans and policies are required to deal with specific development challenges and opportunities in more detail:

- The proposed Muldersdrift Spatial Development Framework should provide specific guidance with regard to-
 - The nature and intensity of land uses;
 - The nature of development along the N14/R28 corridor and the transition of the urban environment into the buffer zone;
 - The linkages with urban development in Johannesburg; and The phased development of the area through an incremental development approach to prevent leap frog development in the area.
- An Urban Open Space Framework must be compiled for the Mogale City urban areas.
- A detailed investigation into the long-term rehabilitation and development potential of the mining land between Krugersdorp and Kagiso must be conducted. Based on the findings of this study, a local spatial development framework must be drafted for the area showing the application of the principles as stated in the section dealing with mining land in the Mogale City Spatial Development Framework.
- A township regeneration strategy must be formulated for Mogale City, and must inter alia determine the most viable locations for nodal development in Kagiso and Munsieville.
- Urban design frameworks must be formulated for each of the activity nodes and activity spines.
- The extent to which low income housing is expected to grow will put severe constraints on the municipality's financial sustainability. The ability to maintain service extension through infrastructure investment while maintaining a healthy

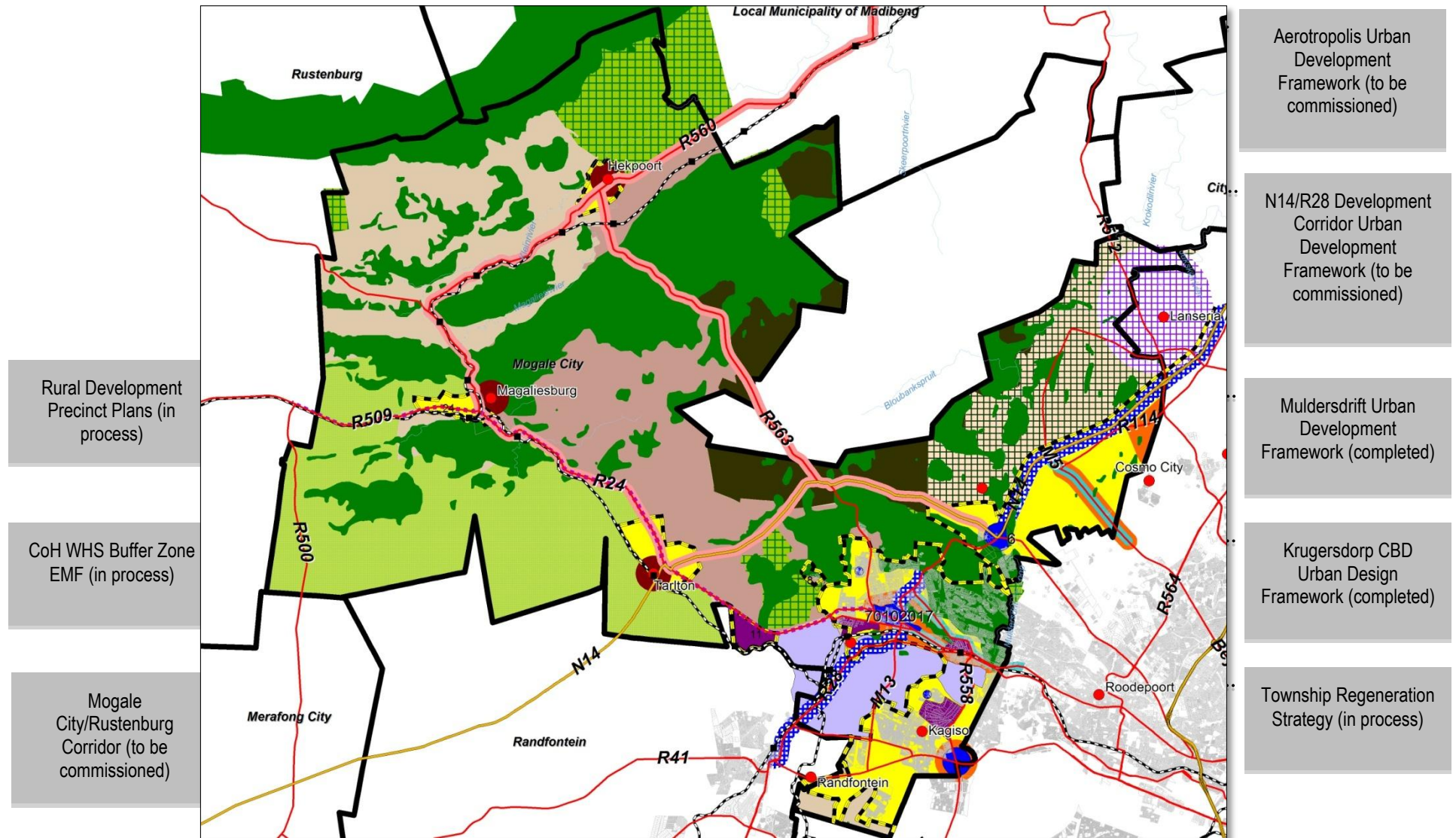
financial position over the long term will become more difficult. In order to support the objectives of the SDF, the development of a complementary infrastructure investment framework for the municipality is strongly recommended.

1. Catalytic Projects and Capital Investment

The following catalytic projects and capital investment focus areas are seen as key priorities for the implementation of the development and spatial restructuring proposals of the SDF.

- Investment in Kagiso to improve the quality of this area. This will include –
 - the creation of high quality urban activity nodes and activity streets that are able to accommodate a range of services and facilities;
 - investment in parks and recreation facilities;
 - investment in public transport facilities and services; and
 - investment in the general quality of the public environment.
- Investment in the identified activity spines in the form of-
 - social housing;
 - public transport facilities;
 - upgrading of the physical and public environment; and
 - upgrading and maintenance of infrastructure and engineering services.
- Investment in the improvement of the Krugersdorp CBD public environment.
- The development of Magaliesburg as the first order rural centre and a major tourism hub. This will entail –
 - investment in the quality of the public environment;
 - investment in social and community facilities – especially the creation of a community cluster; and
 - investment in rural housing development adjacent to the town.
- The development of Tarlton as an agriculture support node for the Gauteng Agricultural Hub. This will entail-
 - the establishment of agri-processing plants;
 - support for small scale, high intensity vegetable farming; and
 - the development of rural housing.
- The development of Leratong Node as a Secondary Node of regional importance.

- Investment in engineering services and road infrastructure to support the development of the Muldersdrift area.
- The construction of access roads parallel to the N14 to facilitate the development of the N14 Development Corridor.
- The development of Tarlton as an agriculture support node for the Gauteng Agricultural Hub. This will entail-
 - the establishment of agri-processing plants;
 - support for small scale, high intensity vegetable farming; and
 - the development of rural housing.
- The development of Leratong Node as a Secondary Node of regional importance.
- Investment in engineering services and road infrastructure to support the development of the Muldersdrift area.
- The construction of access roads parallel to the N14 to facilitate the development of the N14 Development Corridor.



Water Services Development Plan (WSDP) Summary

The Council Approved Water Services Development, provided as summaries, has the following highlights

- the need to provide water and sanitation services required of a world-class city (possibly within a globally competitive regional city), while at the same time addressing the needs of poor and indigent households. This requirement arises from the MCLM's desire to be a world-class city and the Gauteng Province's aspirations to establish a globally competitive city region (which might be reviewed due to recent political and economic events) as one of its four main developmental thrusts, coupled with the change in the economy of the MCLM (namely from a city very dependent upon mining to a city with some locational advantage in tourism/recreation, agriculture, manufacturing (to some extent) and mining linkage activities;
- the implication of being a world-class city (whether or not it is in a globally competitive city region) is that the levels of service and quality of service for water and sanitation must compare favourably with leading international centres, there must be compliance with strict environmental criteria (water quality, treated wastewater and river health), customer service must be of a high standard, wastage must be minimised, while tariffs must be competitive but yet be able to ensure sustainability of the water and sanitation functions;
- the challenge of providing water supply and sanitation services to a large proportion of the households that can qualify to register as being indigent, or that are unlikely to be able to contribute markedly to the costs of municipal services. Upwards of 50% of households could be in that position;
- a high quality of service requires sufficient skilled staff to develop, manage, operate and maintain the water and sanitation infrastructure as well as the customer services that are being provided. Human resources are central to this requirement and the loss of skills needs to be reversed. Although it is not specifically addressed in the WSDP, it will be in the MCLM's interest, and perhaps a critical need, for a skills' retention policy to be developed and implemented as a matter of urgency;
- the management of acid mine water that decants from the Western Drainage Basin into watercourses in the MCLM, particularly north of the Witwatersrand ridge. This water poses a threat to surface water and groundwater resources, as

well as to agriculture, tourism/recreation, public health, river health and dolomitic aquifers. This water can also be viewed as a resource that could contribute to the economic activity of the MCLM;

- over-exploitation of the significant groundwater resources of the dolomitic aquifers north of the Witwatersrand ridge in particular, which necessitates the introduction of enhanced management measures to protect the resource as well as to improve the groundwater/surface water interface that has been adversely affected by over abstraction from both groundwater aquifers and watercourses; and
- the decline in the financial health of the SWS and the projected further decline over the period covered by this plan needs to be reversed, particularly to support the focus being placed by the MCLM on the refurbishment/replacement and maintenance of existing infrastructure coupled with the need for new infrastructure required for social upliftment and economic growth. Issues that require attention are the tariff structure, funds available for the refurbishment/replacement of water and sanitation infrastructure, funds to enhance the skills base and to retain skilled staff, funds to reduce wastage (through water conservation and water demand management (WC/WDM) measures), efficient customer service and a high quality of treated wastewater returned to the rivers coupled with a high level of river as well as groundwater aquifer protection.

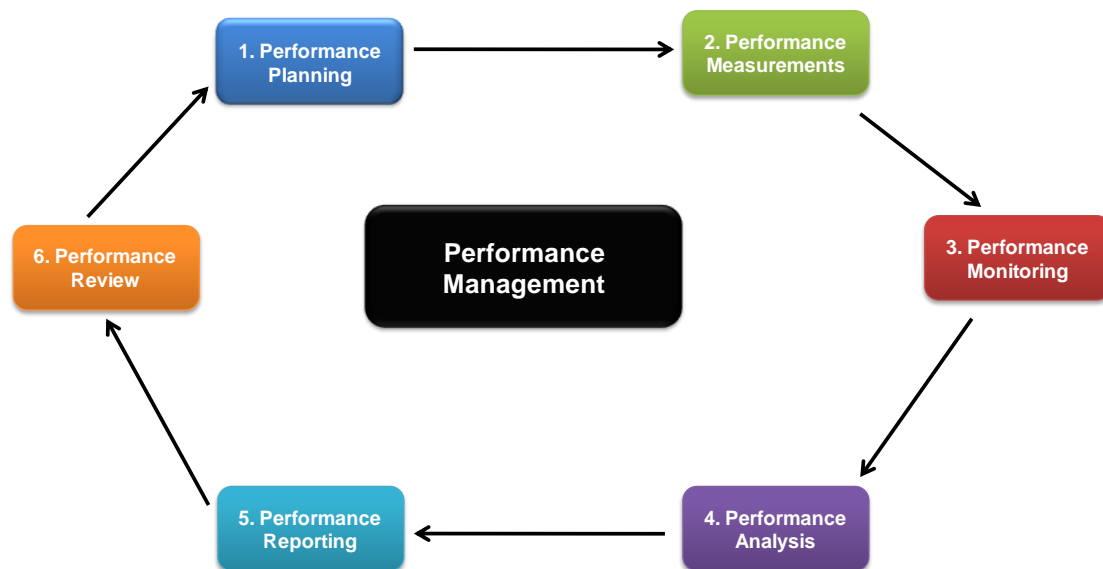
These issues are in-line with and contribute towards the priority initiatives and key focus areas of the Accelerated Shared Growth Initiative for South Africa (Asgi-SA).

Performance Management Framework Summary

The Municipality must develop, as part of the Performance Management Framework, a framework which will deal with the “how” to work with performance information. A performance management framework is the way the Municipality collects, presents and uses its performance information. It is a practical plan, made up of mechanisms and processes, for the Municipality to collect, process, arrange and classify, examine and evaluate, audit, reflect on and report performance information. These mechanisms and processes work in a cycle which must be linked to the Municipality’s normal planning (IDP and otherwise) and the annual budgeting cycle.

Components of Performance Management Framework

The annual process of managing performance at organisational level in the Municipality involves the steps as set out in the diagram below:



The Performance Agreements are based on the municipality’s Top-Layer SDBIP and the Technical Service Delivery and Budget Implementation Plans. Based on the technical SDBIP, Executive Managers may also enter into Performance Agreements with their respective managers.

A performance appraisal system of Executive Managers and managers must be outlined in the agreement and must provide for quarterly and annual performance appraisal. The vertical cascade linkage is a downward cascading which links various

Municipal process outputs with those of individuals in planning, monitoring progress and evaluation. According to the strategic and operational levels, the initial parts of the strategic component refer more to the organisation while the lower parts of the operational levels are largely for the individuals. The diagram below helps to clarify the cascading linkages.

Target Perspective

In order to address the community priorities as set- out in Community inputs database collated after the IDP mayoral road-shows. MCLM outlines a target perspective which, priority projects which will be rolled out during the council's 2011 - 2016 term of office. This perspective set out to align the Budget limitation and equitable distribution of the resources set in accordance with the strategic goals of the municipality.

Strategic Goal 1: To provide sustainable services to the community

STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	Requirement	Baseline / Current	TARGET 11/12	TARGET 12/13	TARGET 13/14	TARGET 14/15	TARGET 15/16
Physical infrastructure services								
Roads	<ul style="list-style-type: none"> New funded paved roads urban (km) 	1150	1030	1040	1055	1070	1100	1150
(urban and peri-urban)	<ul style="list-style-type: none"> New funded paved roads peri-urban (km) 	120	0	0	20	20	40	40
	<ul style="list-style-type: none"> Paved roads maintained (km per annum) 	60	10	10	15	20	25	30
	<ul style="list-style-type: none"> Gravel roads maintained (km per annum) 	150	100	100	110	120	130	140
	<ul style="list-style-type: none"> New storm water drainage (km) 	MI	MI	0.84	0.89	0.90	1	1.5
	<ul style="list-style-type: none"> Storm water drainage maintained (km per annum) 	MI	MI	6	7	7	8	8
Water	<ul style="list-style-type: none"> Potable water quality standards met (%) 	100	95	95	95	95	95	95

<i>(urban and peri-urban)</i>	• Potable water loss (%)	0	25	24	23	22	21	20
	• New community water connections planned versus installed (%) (residential, business)	100	100	90	90	90	90	90
	• Water connection backlog reduced in informal settlements (n) (access within 200m of household)	14000	2250	-	-	-	-	11750
	• Water network maintenance planned versus performed (%)	100	90	90	90	90	90	90
	• Bulk water capacity available (ML)	200	50	-	-	10	20	20
<i>Sanitation</i>	• Bulk sanitation capacity (ML/D)	65	40	10	5	-	10	-
<i>(urban and peri-urban)</i>	• Performance against National Water Services standards (%)	100	65	70	90	90	90	90
	• New water borne sewer connections applied for versus installed (%)	100	100	90	90	90	90	90
	• New access to sanitation within minimum standards (in informal dwellings) (n)	4500	0	0	0	0	0	0

Strategic Goal 1: To provide sustainable services to the community...continues...

STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	Requirement	Baseline / Current	TARGET 11/12	TARGET 12/13	TARGET 13/14	TARGET 14/15	TARGET 15/16
<i>Electricity</i> <i>(urban and peri-urban)</i>	• Bulk electricity supply capacity (MVA)	180	140	-	-	40	-	-
	• Electricity distribution capacity versus demand (%)	100	90	90	90	90	90	90
	• Compliance to quality of supply standards (%)	100	96	95	95	95	95	95
	• New connections in Mogale City distribution paid for versus provided (%)	100	100	90	90	90	90	90
	• Street lighting functionality (%)	100	90	90	90	90	90	90
	•							
	• New street lights planned versus provided (%)	100	100	100	100	100	100	100
<i>Public amenities</i> <i>(municipal buildings, landfill sites, sport and recreation facilities, cemeteries, etc.)</i>	• New public amenities planned versus provided (%)	100	100	90	90	90	90	90
	• Public amenities utilisation rate (%)	100	50	80	80	80	80	80
	• Public amenities maintenance planned versus provided (%)	100	70	80	85	90	90	90
Social services	• Social upliftment services planned versus provided (%)	100	90	90	90	90	90	90
<i>Community development</i>	• Library services planned versus provided (%)	100	90	90	90	90	90	90
	• Heritage promotion programmes planned versus provided (%)	100	90	90	90	90	90	90

<i>(social upliftment services, library services, heritage promotion, sport and</i>	• Sport and recreation development facilitation planned versus provided (%)	100	90	90	90	90	90	90
	• Traffic / security services planned versus provided (%)	100	90	90	90	90	90	90
	• Licensing / registration services planned versus provided (%)	100	90	90	90	90	90	90
	• Social amenities management services planned versus provided (%)	100	90	90	90	90	90	90
	• Sporting activities planned versus available (%)	100	90	90	90	90	90	90
Economic services	• Tourism promotion services planned versus provided (%)	100	90	90	90	90	90	90
<i>Enterprise development (tourism promotion, SMME development); urban and peri-urban development planning; human settlement planning)</i>	• SMME development planned versus developed (%)	100	90	90	90	90	90	90
	• Urban development services planned versus provided (%)	100	90	90	90	90	90	90
	• Peri-urban development services planned versus provided (%)	100	90	90	90	90	90	90
	• Human settlement facilitations services planned versus provided (%)	100	90	90	90	90	90	90

Strategic Goal 2: To promote sustainable environmental management

STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	Requirement	Baseline / Current	TARGET 11/12	TARGET 12/13	TARGET 13/14	TARGET 14/15	TARGET 15/16
Open space management <i>(Parks, cemeteries)</i>	• Parks planned versus provided (%)	100	90	90	90	90	90	90
	• Cemeteries services planned versus provided (%)	100	90	90	90	90	90	90
	• Parks services planned versus provided (%)	100	90	90	90	90	90	90
Municipal health	• Waste management services planned versus provided (%)	100	90	90	90	90	90	90
	• Performance against municipal health services SLA (%)	100	-	90	90	90	90	90
Environmental compliance facilitation	• Environmental compliance facilitation services planned versus provided (%)	100	90	90	90	90	90	90
	• Green projects planned versus implemented (%)	100	-	-	90	90	90	90

Strategic Goal 3: To provide sustainable governance for local communities

STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	Requirement	Baseline / Current	TARGET 11/12	TARGET 12/13	TARGET 13/14	TARGET 14/15	TARGET 15/16
Broaden local democracy	• Ward committees planned to be established versus established (%)	100	80	90	90	90	90	90
	• Functional Ward committees (n)	34	24	34	34	34	34	34
	• Council committees' functionality (%)	100	60	70	80	90	90	90
	• Public participation events (n)	2	2	2	2	2	2	2
Local government	• Reports required in terms of legislation versus submitted timeously (%)	100	100	100	100	100	100	100

accountability	• Compliance to Legislation (%)	100	90	100	100	100	100	100
	• Community queries / petitions received versus attended to (%)	100	85	90	90	90	90	90

Strategic Goal 4: To ensure sustainable governance practices within the Municipality

STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	Requirement	Baseline / Current	TARGET 11/12	TARGET 12/13	TARGET 13/14	TARGET 14/15	TARGET 15/16
Corporate governance practices <i>(Legal compliance, oversight)</i>	• Policies planned to be developed / reviewed versus developed / reviewed (%)	100	90	90	90	90	90	90
	• Compliance to regulatory framework (%)	100	100	100	100	100	100	100
	• Council resolutions made versus executed (%)	100	75	80	85	90	90	90
	• Organisational risks identified versus risk management plan available (%)	100	100	100	100	100	100	100
	• Impacts planned to be evaluated versus evaluated (%)	100	-	90	90	90	90	90
	• Audit queries received versus corrective action taken (%)	100	30	70	80	90	90	90
Business leadership / management <i>(Planning, structuring, culture, performance management;</i>	• Employee satisfaction rating based on areas within management control / influence (%)	60	-	45	-	50	-	55
	• Business targets met (%)	100	75	80	85	90	90	90
	• Internal client satisfaction rating (%)	80	-	70	75	80	80	80
	• External client satisfaction rating (%)	70	-	50	55	60	65	70
	• Organisational image rating (%)	70	-	-	70	-	-	-

<i>stakeholder relations management; asset management)</i>	• SLA's required versus signed within agreed upon time (%)	100	50	100	100	100	100	100
	• New stakeholder consultative forums planned to be established versus established (%)	100	100	95	95	95	95	95
	• Stakeholder forum functionality defaults detected versus addressed (%)	100	-	90	90	90	90	90
	• Unqualified audit opinion (%)	100	50	100	100	100	100	100
People management	• Funded positions filled (%)	100	79	80	85	90	90	90
	• Competence development plan targets met (%)	80	46	50	55	60	70	80
	• Equity plan targets met (%)	100	-	90	90	90	90	90
	• Labour relations issues lodged versus attended to within regulatory guidelines (%)	100	20	50	70	80	90	90

STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	Requirement	Baseline / Current	TARGET 11/12	TARGET 12/13	TARGET 13/14	TARGET 14/15	TARGET 15/16
Financial management	• Variance on operational budget spent (%)	5	3	5	5	5	5	5
	• Variance on capital budget spent (%)	10	22	25	20	15	10	10
	• Revenue billed versus collected (%)	94	90	92	93	94	94	94
	• Increased revenue base (%)	10	10	7	8	9	9	9
	• Goods / services / assets planned to be procured versus procured within specified standards (%)	100	90	95	95	95	95	95
	• Local enterprise procurement spent versus total budgeted (%)	40	34	35	38	41	45	50
KIM(nfo Mngmt	• ICT master plan targets met (%)	100	50	75	80	90	90	90
KIM	• Compliance to information / knowledge management policy (%)	100	50	75	80	85	90	90
	• Knowledge planned to be documented versus documented (%)	100	-	80	85	90	90	90
Asset management	• Fixed assets registered versus actual assets (%)	100	95	95	95	95	95	95
	• Movable assets registered versus actual assets (%)	100	95	95	95	95	95	95
Programme / project management	• Programme / projects completed on time (%)	100	80	85	90	90	90	90
	• Programmes / projects completed within budget (%)	100	90	90	90	90	90	90
	• FET jobs planned versus created (%) (EPWP)	100	8	60	70	80	90	90
	• Temporary jobs opportunities created (n)	150	122	130	135	140	145	150

SECTION D: Community Outreach

4.1 INTRODUCTION

Community outreach in the affairs of the municipality, especially the soliciting of service delivery priorities, forms an integral part of the Integrated Development Plan. In terms of section 16 (1)(a)(i) of the Local Government: Municipal Systems Act (Act 32 of 2000) “ *a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose –*

Encourage and create conditions for local community to participate in the affairs of the municipality including in –

The preparation, implementation and review of its integrated development plan in terms of chapter 5”

Section 17 of the legislation mentioned hitherto further provides for mechanisms, processes and procedures through which municipalities must engage communities. The discourse below provides a bumper account of the strategy employed by Mogale City Local Municipality to achieve legislative objects referred to above.

In terms of the provisions of Chapter 4 of the Local Government: Municipal Systems Act, 2000; municipality should encourage and create conditions for, the local community to participate in the affairs of the municipality. Community involvement, especially soliciting the community priorities and inputs, is a critical part of the IDP

4.2 MCLM COMMUNITY OUT REACH PROGRAMME

The MCLM public participation programme has 4 major pillars, namely, public Mayoral Road shows, Sectoral meetings and Community Liaison Offices as community outreach.

As indicated previously, the major components of the IDP Community outreach is undertaken through the IDP Mayoral Road shows. The IDP road shows has assisted the MCLM to develop a community inputs database.

MCLM has, however, undertaken the following IDP cluster wards and sector meeting in the preparation of the first revised IDP of the five- year 2011-16 IDP process.

Communication Programme

Notices were sent prior to the commencement date of the feedback sessions. Pamphlets and posters are developed and disseminated across MCLM aimed at reaching out to all the communities. The support and assistance utilized the following means of communication:

- Pamphlets and house to house knock and drop.
- Posters at strategic areas
- Loud hailing, mobilization through Ward based IDP Task teams.
- Public notices of all IDP sessions are placed on MCLM website and in local newspaper , Krugersdorp News and regional newspaper Sowetan

Venues

All venues were selected in a manner that ensured and enhanced easy access for all community members to attend and were ward cluster based considering size and distance. Time chosen for the meetings also ensured maximum attendance of all the households. MCLM makes transport arrangement to the venue for people in the adjacent ward areas.

Mayoral Road-shows- Ward Cluster

These are area based meetings convened by the Executive Mayor at least twice annually. Cognizance is taken in relation to proximity, time and a variety of community dynamics when such meetings are convened. These meetings are a platform through which the Mayoral Committee and senior municipal officials interact with communities on developmental priorities, the budget, revenue collection, service delivery hiccups and feedback on the implementation of the municipal programs.

In accordance with the 2012/13 IDP and budget process plan tabled before council by the Executive Mayor in August 2011, A total number of eight Mayoral road-shows were held in November 2011 in accordance with the schedule below.

Venue	Date	Time	Wards/sectors
Mayoral Chamber	2 & 3 November 2011	9 am	Youth, religious, labour, safety CBO's and NGO's
Nelson Mandela Hall (Tarlton)	5 November 2011	9 am	30, 31 and 32
Muldersdrift MPCC	6 November 2011	9 am	23, 28, 29 and 33
Centenary Hall (Krugersdorp)	7 November 2011	6 pm	9, 17, 18, 20, 21, 22, 26 and 29
Munsieville Community Hall	8 November 2011	6 pm	24, 25 and 27
Kagiso Hall	9 November 2011	6 pm	6,7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 19 and 26
Lusaka MPCC	10 November 2011	6 pm	1, 2, 3, 4, 5 and 34
Azaadville Hall	14 November 2011	8 pm	34

In addition to engagement with communities, sector specific engagements were held by the Executive Mayor to report progress and seek inputs pertaining to their specific needs.

Sector Consultation Meeting

During the sectors consultation meeting MCLM engage the religious fraternity, safety representatives in the city, labor unions, organized youth formations and the business community.

Language Use

A broad presentation was prepared in two languages (English, and Setswana) in order to facilitate maximum participation. The Executive Mayor would translate the presentation into a unanimously acceptable and agreed upon African language to cater for those who need translation.

Ward Committees

MCLM has established ward committees in accordance with section 73 of the Local Government Municipal Structures Act, Act 117 of 1998. These committees were established to enhance public participation in the city. Amongst other things, ward committees perform the function of advising the ward councilor on any matter affecting their respective wards and further assist with information dissemination.

MCLM has 34 wards all with existing ward committees. Ward committees were re-launched after 2011 local government and at the moment the functionality summary reflects on those elected committees.

The above explains and further indicates that most of the ward committees established are fully functional and meet their mandate.

The Office of the Speaker receives monthly requests and reports including request for assistance on the following issues from ward committees through ward councillors

- Proof of residence;
- Reports on Service Delivery;
- Indigent funeral assistance and support;
- Report on Indigent registration;
- Ward and block meetings invitation slips and reports;
- Facilitation of interventions on ward community problems;
- Assistance on bursary scheme and learnerships and
- Generally referrals on various issues that requires the office attention;
- Petitions.

Community Liaison Officers

MCLM undertook to establish Ward Offices in 2005, and Council resolved that an Operational Budget be approved to allow the establishment of Ward Offices. The ward offices are managed by the Ward Councilors with the Ward Committee, given administrative support by Community Liaison Officers (CLOs).

CLOs are stationed and operate in ward offices located in their respective wards. Amongst other things, they will assist communities with:

- Provide administrative support for Ward Committees;
- Attend to daily office routine functions that will include referrals and constituency enquiries;
- Act as service centres for communities within which services will be provided or needed;
- Be operational venue or work stations for Community Liaison Officers as well as community led projects
- Act as information centres on programmes initiated and driven by the municipality

In supporting Council activities Ward Offices act as source of reference and custodians of information and record on all Council related matters – Minutes, correspondence, advertisement, IDP documents, Council Agendas and Notices etc.

Feedback Session – Cluster Ward Committee Community Meetings

The following cluster based feedback sessions were held according to their respective times and venues as arranged. It was expected that the Ward Councillors, Ward Committee members, CLOs and CDWs should provide inputs on the major wards priorities in preparation for the Mayoral Road shows

Analysis and Synthesis of Feedback Sessions

Outcomes both Capital and Operational & Administrative

CAPITAL	OPERATIONAL & ADMINISTRATIVE
Provision of housing	Increase in the number of Indigence registration
Refurbishment and overall of the All Community Hall	Job creation, especially for the youth and women
Revamping of Community Halls	Refuse removal, Skip bins provision
Electricity upgrade in Krugersdorp North	Installation and repairs of water meters.
Acquisition of land for site and services	Repair of Street lights in Rietvallei and Ext 12.
Establishment of Sports Complex – Hekpoort	Potholes repairs, grass- cutting, illegal dumping control
Installation and improvement of storm water controls in Kagiso	Installation of speed humps and general road maintenance
	Refuse removal weekly collection, provision of skip bins
	Preferential procurement of local goods and services providers
	Construction of Taxi ranks
	Provision of information regarding Internships, learnership and Bursaries

Summary of Wards Needs

The municipality engaged with the communities as per requirements of Section 21 of the Municipal Systems Act. Amongst others the following needs were raised by the Community to be addressed by the Municipality in the 2012/13 IDP and Budget Road shows:

NEEDS	WARDS/LOCATION
Job creation	Ward 1, 2,3,4, and 31
Upgrading of sewer system	Ward 3, 5, 9 and 26
Maintenance of streetlights and high-mast lights	Ward 1,2,3,17,18,19,29, 30 and 31
Provision of street humps, Tarring of gravel streets and resurfacing of roads	Ward 2,3, 5, (6-Azaadville), 7,15, 20,21,31
Provision of houses, Acquisition of land for Site and Services	Ward 1,2 3,4, 5,24,25,26, 27, 28, 29, 30,31 and 32
Road and storm water Maintenance- road marking, street humps and Stop signs	Ward 3, 7,15,18 and 20
Waste removal litter bins situated at street corners	Ward 20
Improved water pressure and supply	Ward 21
Visible policing, Mobile police station and clinic	Ward 03, 24, and 29 (Joe Slovo informal settlement)
Provision of shelter to the evicted people from privately owned land	Ward 28
Maintenance of toilets at informal settlements	Ward 19 (Kagiso Hostel) 26,30 and 31,
Grading of gravel roads	Ward 31, 32
Provision of Taxi Ranks	Transport sector
Job creation for unemployed youth; 10% procurement services provided to youth business	Youth sector
Provision of land for the Churches	NGOs and Church groups
Provision and allocation of business structures street hawkers	

The comprehensive list of Community needs is attached as Annexure (A) to this document.

4.3 ISSUES IDENTIFIED AS PRIORITIES

The issues noted were identified in terms of their frequency in most proceedings:

- Housing and provision of sustainable human settlements which should have service to site facilities especially in all rural areas.
- Job opportunities for the local community, especially the youth.
- Provision of formal taxi ranks.
- Administration and disbursement of Mayoral bursary
- Allocation of stands and provision or making land available for development.
- Infrastructure maintenance, repairs and installations (water and electrical meters), storm water drainage, roads (potholes and street humps) sewer systems).
- Creating or establishment of recreational facilities.(Sport facilities)
- Lack of Eviction and Disaster Management Policy / Strategy for Rural communities. (Intense review and urgent implementation of the Rural Development Strategy with reference to evictions policy and emergency disaster management).
- Improve on provision of facilities for disabled persons.
- Consider creating economic development initiatives and programmes to ensure the creation of economically sustainable employment opportunities

SECTION E: PROJECT PHASE

In terms of Section 26(i) the Local Government: Municipal Systems Act (Act 32 of 2000), municipalities must ensure that an Integrated Development Plan reflects the Key Performance Indicators and Performance Targets. Municipalities must allow the community to participate in the setting of appropriate Key Performance Indicators and Performance Targets for the municipality. Since the limited resources at the disposal of the municipality cannot satisfy all the identified needs, a prioritization model was developed so as to ensure that the most pressing needs and government priorities get allocated the necessary resources. The table below lists the identified community needs in order of priority.

No.	Urgent needs	Important needs		Less pressing needs	
1	Housing, including Hostels conversion and rural site and services	10	Cleaning dumping sites/ collection of refuse removal	17	Development of parks and open spaces
2.	Water and Sanitation especially in Rural area	11	Improved service delivery	18	Road markings
3	Economic development and job creation	12	Sport, Art and recreations	19	Illegal housing activities
4.	Roads and storm water maintenance	13	Demarcation of areas for street vendors	20	Rename of street names
5	Electricity supply and street illumination	14	Early Childhood development	21	Provision of pre-paid vending machine
6	HIV/Aids and Health facilities	15	Women Empowerment	22	Provision of business and church sites
7.	Social Crime prevention	16	Disability support	23	Human Development
8.	Assistance of indigent households		—	—	—
9	Curbing of farm evictions		—	—	—

INFRASTRUCTURE SERVICES

Roads and storm water

IDP/Prj. No.	Project Name	Source of Funding	KPI	2012/13	2013/14	2014/15
IDP12/01	Pretoria Street CBD Taxi Rank	MCLM	Construction and Upgrading of Development Completed	1000sqm	1000sqm	1000sqm
IDP12/02	Protea Dal, Chanclyff , Noordheuwel and Rangeview Roads Construction	MCLM	An Integrated Road and Stormwater Network Constructed	0km	0.8km	0km
IDP12/03	Rangeview Ext 2 Roads and Stormwater Construction	MCLM	Km of Road and Stormwater Constructed	0km	0.8km	0km
IDP12/04	Pr 2: Rietvallei Roads and Stormwater Stage 4 Construction	MIG	Km of Road and Stormwater Constructed	1.6km	1.8km	2km
IDP12/05	Pr 5: Rietvallei Ext. 5 Roads and Stormwater Stage 1 Construction	MIG	Km of Road and Stormwater Constructed	1.4km	2.5km	3km
IDP12/06	Pr 7: Muldersrift Roads and Stormwater EIA Approval	MIG	ROD (Record of Decision) for the Development obtained	0km	1.5km	2km
IDP12/07	Pr 9: Ga Mohale: Roads and Stormwater Stage 2 Construction	MIG	Km of Road and Stormwater Constructed	0.8km	0km	0km
IDP12/08	PR 10: Rietvallei Roads and Stormwater Stage 4 Construction	MIG	Km of Road and Stormwater Constructed	1.8km	0	0
IDP12/09	Pr 15: Western Rural Areas Roads and Stormwater Stage 1 Construction	MIG	Km of Road and Stormwater Constructed	2.4	2.4	2.4

Electricity Management

	Project Name	Source of Funding	KPI	2012/13	2013/14	2014/15
IDP12/11	Construction of a New 11KV Switchrooms at Delporton and Reservoir Substation	MCLM	Number of Switchroom Buildings Constructed	2	-	-
IDP12/12	Upgrading of the Krugersdorp Main Substations	MCLM	Substation Transformer Capacity Installation Increased	20MVA	-	-
IDP12/13	Supply and Installation of a 20MVA and 7.5MVA Transformer at Krugersdorp North	MCLM	Substation Firm Supply Capacity Increased	20MVA		
IDP12/14	Construction of a new 33KV Transmission lines from Factoria to Libertas	MCLM	Transmission Lines Power Carrying Capacity increased	-	-*	30MVA
IDP12/15	Upgrading of Condale / Teddy Neil Substation	MCLM	Eskom Incomers and Downstreamers Lines Accommodation Increased	-	14 Linkages	-
IDP12/16	Construction of new 33KV transmission Lines from Condale to Krugersdorp North	MCLM	Transmission Lines Power Carrying Capacity increased	-	40MVA	-
IDP12/17	Construction of new 33KV Transmission Lines from Condale to Boltonia	MCLM	Transmission Lines Power Carrying Capacity increased	-	30MVA	-
IDP12/18	Supply and installation of a 10MVA Transformer at Condale	MCLM	6.6KV Transformer Carrying Capacity Increased	-	-	10MVA
IDP12/19	Supply and Installation of 2x40MVA Transformer at Chamdor	MCLM	11.0KV Transmission Carrying Capacity increased			40MVA
IDP12/20	Construction of new 33KV transmission lines from Condale to Chamdor	MCLM	Transmission Lines Power Carrying Capacity Increased			40MVA
IDP12/21	Installation of New Termination lines at Condale, Krugersdorp North, Factoria and Libertas	MCLM	New Line Termination and Energized		24 Linkages	

IDP12/22	Installation of New Termination lines at Condale, Krugersdorp North, Factoria, Libertas and Chamdor	MCLM	New Line Termination and Energized		4X Linkages 80 MVA	
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IDP/Prj. No.	Project Name	Source of Funding	KPI	2012/13	2013/14	2014/15
IDP12/23	Upgrading of Eskom supply at Condale Substation	MCLM	Eskom Supply Carrying Capacity Increased	—	—	—
IDP12/24	Upgrading of Eskom supply at Azaadville Substation	MCLM	Eskom Supply Carrying Capacity Increased	—	—	—
IDP12/25	Construction of a new 33Kv Protea Dal Substation	MCLM	New Electricity Supply to new Development Created	—	—	—
IDP12/26	Refurbishment of over 50years 33KV Substation equipment at Boltonia, Chamdor, Factoria and Jackson	MCLM	Reliability of Substation Equipment Increased	—	—	—
IDP12/27	Refurbishment of over 50years 11KV and 6.6KV Substation Equipment at Octigen, Naude, Goldman and Patrick	MCLM	Reliability of Substation Equipment Increased	—	—	—
IDP12/28	Replacement of overhead Conductors with Bundle Conductors	MCLM	Level of Compliance in respect of Safety Legislation Increased	—	—	—
IDP12/29	Replacement of overhead house connections with air deck cables	MCLM	Level of Compliance in respect of Safety Legislation Increased	—	—	—
IDP12/30	Conversion of Munsieville distribution Network from Conventional Metering to Prepaid metering	MCLM	Carrying Capacity of Distribution reticulation Increased	—	—	—
IDP12/31	Implementation of Energy Saving Programme	MCLM	Reduction in Municipal Electricity Consumption	—	—	—

Water Management

IDP/Prj. No.	Project Name	Source of Funding	KPI	2012/13	2013/14	2014/15
IDP12/32	Construction of Magaliesburg Bulk Water Pipeline	MIG	Km of Pipeline Constructed	2km	-	-
IDP12/33	Implementation of Rural Water and Sanitation Programme	MIG	Km of Pipeline Constructed	-	8km	10km
IDP12/34	Construction of Lenway Bulk Water Pipeline	MCLM	Km of Pipeline Constructed	2km	-	-
IDP12/35	Munsieville Ext 5 Water Connection	MCLM	Km of Pipeline Constructed	1 connection	-	-
IDP12/36	Meter Replacement Program (Conventional)	MCLM/MIG	Number of metering replaced	500	500	500
IDP12/37	Meter Replacement Program (Prepayment)	MCLM/MIG	Number of metering replaced	4000	4500	5000
IDP12/38	Resealing of the Kenmare Reservoir	MCLM	Reservoir Resealed	1 service		
IDP12/39	Management of Water Conservation and Demand Management	MCLM/DWA	Reduction in Accounted for Water	4%	2%	1%
IDP12/40	Construction of Protea Dal Water Services	MCLM	Km of Water Pipeline	-	2km	-
IDP12/41	Rangeview Ext 2 Services - Water	MCLM	Km of Water Pipeline	0.525km	-	-
IDP12/42	Upgrade of Flip Human Laboratory	MCLM	m ² of buildings constructed	-	400m ²	800m ²

Sanitation Management

IDP/Prj. No.	Project Name	Source of Funding	KPI	2012/13	2013/14	2014/15
IDP12/43	Construction of Muldersdrift Bulk/Outfall Sewer	MIG	Km of Sewer Pipeline	3km	3km	2km
IDP12/44	Lusaka Ext 2 and 3 Renewals - Phase 4	MIG	Km of Sewer Pipeline	2km	-	-
IDP12/45	Construction of Magaliesburg Outfall Sewer - Phase 1 (Not Gazetted)	MIG	Km of Sewer Pipeline	-	6km	6.2km
IDP12/46	Construction of Millsite outfall sewer Phase 1 (Not Gazetted)	MIG	Km of Sewer Pipeline	2km	3.6km	-
IDP12/47	Construction of Munsieville Ext 5 Bulk Sewer	MCLM	Km of Sewer Pipeline	1km	-	1
IDP12/48	Construction of Kenmare Sewer Pump Station	MCLM	Pumpstation Constructed	1	-	-
IDP12/49	Protea Dal Sanitation Services	MCLM	Km of Sewer Pipeline constructed	-	2km	-
IDP12/50	Rangeview Ext 2 - Sanitation	MCLM	Km of Sewer Pipeline constructed	3km	-	-
IDP12/51	Percy Steward Waste Water Treatment 10MI/D (Civil Construction works)	MIG/MCLM	m ² of unit processes constructed	1800m ²	-	-
IDP12/52	Percy Steward Waste Water Treatment 10MI/D (Mechanical and Electrical Construction Works)	MIG/MCLM	No of mechanical, electrical and instrumentation units installed	120	-	-
IDP12/53	Percy Steward Waste Water Treatment 10MI/D (Professional Fees)	MCLM	Percentage fees paid	100%	-	-
IDP12/54	Flip Human Water Care Works refurbishment (not Gazetted)	MIG	No of mechanical, electrical and instrumentation units installed	-	20	5
IDP12/55	Magaliesburg Water Care Works Upgrade	MIG	No of mechanical, electrical and instrumentation units installed	-	10	15

ECONOMIC SERVICES

Enterprise Development

IDP/Prj. No.	Name of project	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
IDP12/55	Organic Farming	MCLM	Stages for construction of business hives	construction of green houses, soil preparation, installing of irrigation system, training of beneficiaries and planting on a quarter hector of the farm.	construction of green houses, soil preparation, installing of irrigation system, training of beneficiaries and planting on the second quarter hector of the farm.	construction of green houses, soil preparation, installing of irrigation system, training of beneficiaries and planting on the third quarter hector of the farm.
IDP12/56	Cultural Village	MCLM	stages for the construction of a cultural village	1 st phase: <ul style="list-style-type: none"> • construction of fence & entrance • traditional huts • botanical garden & landscape • traditional restaurant • parking bay 	2 nd phase <ul style="list-style-type: none"> • Cultural exhibition centre • Traditional dance arena • Information centre 	3 rd phase <ul style="list-style-type: none"> • Trading stalls • Boardroom • Events hall • Conference boma
IDP12/57	Business Information Platforms	MCLM	installation and updating of four business information platforms	four operational business information platforms installed.	updating information on continuous bases	updating information on continuous bases
IDP12/58	Business Hives	MCLM	Stages for construction of business hives36 business hives	12 business hives constructed	12 business hives constructed	12 business hives constructed

IDP/Prj. No.	Name of project	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
IDP12/59	Carpentry and Furniture Making Training Project	MCLM	1 carpentry and furniture making cooperative established and operational	<ul style="list-style-type: none"> cooperative registered with DTI procurement of the furniture making and repair equipment 	—	—
IDP12/60	Tourism Database System	MCLM	number of tourism database created and an interactive system installed.	<ul style="list-style-type: none"> database system designed and installed. Tourism products information collated Register the tourism information on the database 	updating database on continuous bases	updating database on continuous bases
IDP12/61	township enterprise hubs	MCLM	stages for the establishment of township hubs	<ul style="list-style-type: none"> Identification of land Zoning EIA and designs 	construction of the hubs	-

Rural Development

IDP/Prj. No.	Name of project	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
IDP12/62	Acquisition of land	Own and external	Nr. of stages for land purchase.	Conduct Geo-Technical studies.	Submit report to purchase.	Submit deeds of sale.
IDP12/63	Commonage Programme Implementation	Own and external	Stages for planning & implementation.	Conduct planning studies.	Conduct EIA studies	Planning & designs.
IDP12/64	Emergency Site & Services	Own	No. of stands serviced-monitoring (water & sanitation).	80 stands serviced.	80 stands serviced.	80 stands serviced.
IDP12/65	Comprehensive Rural Development Programme (CRDP)	Own and external	Stages for planning & implementation.	Conduct planning studies.	Conduct EIA studies	Conduct EIA studies

Human Settlement

IDP/Prj. No.	Name of project	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
RURAL INFORMAL SETTLEMENT UPGRADING						
IDP12/66	Ptn 1 Volgezang	MCLM	% formalization of informal settlements in Hekpoort	100% completed studies	-	-
IDP12/67	Rem Ptn 1 Volgezang	MCLM	% formalization of informal settlements in Hekpoort	50% studies undertaken	50% studies undertaken	-
IDP12/68	Ptn 38 Haartebeesfontein	MCLM	% formalization of informal settlements in Hekpoort	50% studies undertaken	50% studies undertaken	-

IDP/Prj. No.	Name of project	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
IDP12/69	Ptn 265 Hekpoort	MCLM	% formalization of informal settlements in Hekpoort	100% completed studies	-	-
IDP12/70	Rem 3/11 Heuningklip	MCLM	% formalization of informal settlements in Muldersdrift	50% studies undertaken	50% studies undertaken	-
IDP12/71	Ptn 44 Rietfontein	MCLM	% formalization of informal settlements in Nooitgedacht	50% studies undertaken	50% studies undertaken	-
IDP12/72	Ptns 81 & 82 Vaalbank	MCLM	% formalization of informal settlements in Magaliesburg	50% studies undertaken	50% studies undertaken	-
IDP12/73	Ptn 110 Wolvekrans	MCLM	% formalization of informal settlements in Tarlton	100% completed studies	-	-
	HOSTEL UPGRADING	MCLM				
IDP12/74	Boiketlo Hostel	MCLM	% socio-economic survey to determine affordability levels	100% completed studies	-	-
IDP12/75	Kagiso Green Hostel	MCLM	% feasibility studies to upgrade the Green Hostel	50% studies undertaken	50% studies undertaken	Upgrading of Kagiso Green Hostel
IDP12/78	Lanwen Hostel	MCLM	% feasibility studies to upgrade the Lanwen Hostel	50% studies undertaken	50% studies undertaken	Upgrading of Lanwen Hostel

IDP/Prj. No.	Name of project	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
	FORMAL HOUSING	OUT OF BOOKS				
IDP12/79	Ethembaletu Village	OOB	150 completed units	150 constructed units	-	-
IDP12/80	Kagiso Ext 12	OOB	300 completed units	100 constructed units	100 constructed units	100 constructed units
IDP12/81	Rietvallei Proper and Ext 1	OOB	300 completed units	100 constructed units	100 constructed units	100 constructed units

INTEGRATED ENVIRONMENTAL MANAGEMENT

Parks Development and Management

IDP/Prj. No.	Name of project	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
IDP12/82	Parks development and upgrading	MCLM	Development of three small parks by end June 2013	Parks development in Munsieville, Silverfields and Rietvallei	Parks development in Rant & Dal, Kagiso 1, Munsieville	Parks development in Applepark, Monument, Chief Mogale
IDP12/83	Upgrading of Game Reserve	MCLM	Repair four swimming pools and lodge thatching by end June 2013	Four swimming pools upgraded, lodge roof thatching repaired	Construct new lion enclosure	—
IDP12/84	Kagiso Regional Park	MCLM	Amphitheatre and ablution facility 100% completed	Construction of amphitheater and ablution facility.	—	—
IDP12/85	Kagiso Cemetery	MCLM	Internal roads and new entrance 100% completed	Construction of new internal roads and new entrance.	—	—
IDP12/86	Azaadville Park	MCLM	Phase two 100% completed	Completion of phase two.	—	—
IDP12/87	Minor Plant replacement	MCLM	Procurement of tractor slashers, lawnmowers and bushcutters by end June 2013.	Procurement of 5 tractor slashers, 10 lawnmowers and 15 bushcutters	Procurement of 5 tractor slashers, 10 lawnmowers and 15 bushcutters	Procurement of 5 tractor slashers, 10 lawnmowers and 15 bushcutters
IDP12/88	Parks Maintenance Workshop Tools	MCLM	Replacement of old workshop tools and machinery by end June 2013	Procurement of workshop tools and machinery	—	—
IDP12/88	Food garden support	MCLM	Procurement of food garden support facilities by June 2013.	Procurement of support facilities		

IDP/Prj. No.	Name of project	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
IDP12/89	Drop-off facilities (2x) and transfer station	MCLM	Stages for Construction of drop-off facilities	Planning Stage Detailed Designs and EIA studies completed	Construction of two waste transfer stations	—
IDP12/90	Bulk containers	MCLM	Purchase and distribution of ten bulk containers	Purchase and distribution of bulk containers	Deployment of bulk container in rural areas & informal settlements	—
IDP12/91	Installation of New Fencing for Magaliesburg and Luipaardsvlei Landfill Sites	MCLM	Stages for installing fencing for Luipaardsvlei and Magalies Landfill sites	Installation of new fence for Luipaardsvlei landfill and Magaliesburg Completed	—	—
IDP12/92	Magaliesburg landfill Site license application and construction	MCLM	Stages for Magalies Landfill Site License Application	Planning Stage - Conduct EIA and related technical designs	Stage two – commencement of construction	Stage 3 - Construction of the weigh bridge and access roads completed
IDP12/93	Expansion of Luipaardsvlei Landfill Site	MIG / own	Stages for Development of new landfill site	Conduct EIA, finalise technical designs and tender document	Appointment of contractor and commencement of construction of a new cell	

IDP/Prj. No.	Name of project	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
IDP12/94	Blue Waste to Energy	PPP	Stages for Construction of Blue Waste to Energy Facility	Planning stage - Conduct EIA and construction of the plant	Stage 2 -Completion of the plant	–
IDP12/95	Identification of Land for a New Landfill Site	MCLM	Stages for land Identification and Development of a new landfill site	Planning Stage - Conduct EIA and related technical designs	Stage two – commencement of construction	Stage 3 - Construction of the weigh bridge and access roads completed
IDP12/96	Acquisition of Fleet for Waste Collection	Own funding	Number of trucks acquired	Acquisition process completed	–	–
IDP12/97	Acquisition of earth moving equipment	Own funding	No. of earth moving equipment acquired	Acquisition process completed	–	–

SOCIAL SERVICES

IDP/Prj. No	Name of project	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
IDP12/98	Poverty alleviation	MCLM	Number of awareness campaigns facilitated on Indigent Management Programme.	4	4	4
			Number of indigent households registered.	15 000	17 000	20 000
			Assistance with indigent burials as per need.	Assistance with indigent burials as per need.	Assistance with indigent burials as per need.	Assistance with indigent burials as per need.
			Number of new poverty alleviation projects initiated and sustained	Projects at identification and initiation phase.	Projects at implementation phase.	Projects sustained and taken to the next level.
IDP12/99	Local Programme of Action for Children	MCLM	No. of capacity building programmes facilitated for ECD practitioners.	1 Programme implemented.	2 Programmes implemented.	Capacity building Programme sustained.
			No. of children benefiting from support programmes.	100	150	200
			Provision of child enrichment projects in ECD centers.	1	2	3
IDP12/100	Gender Empowerment	MCLM	No. of projects implemented to address issues relating to young women and men.	2	2	3
			No. of projects facilitated to address issues relating to women and men's health, safety, social and economic wellbeing.	6	7	8

IDP/Prj. No	Name of project	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
IDP12/101	Youth Development	MCLM	No. of development projects facilitated for youth.	1	2	3
			No. of youth development structures established.	Youth Development committee launched.	Facilitate the establishment of a youth empowerment Centre.	Youth empowerment Centre sustained.
IDP12/102	Elderly support	MCLM	Number of projects implemented to support the elderly.	New Luncheon Clubs formed.	Projects to support the elderly sustained.	Projects to support the elderly sustained.
IDP12/103	Disability support	MCLM	Number of new projects implemented to support persons with disabilities.	Projects at identification and initiation phase.	Projects at implementation phase.	Number of Projects sustained
IDP12/104	HIV and AIDS management	MCLM	Number of capacity building initiatives initiated for HIV and AIDS volunteers.	3	4	4
			No. of awareness campaigns facilitated on issues relating to HIV and AIDS.	3	4	4
			Number of Inter-sectoral committees established and sustained.	2	2	2
IDP12/105	Thusong Service Centers	MCLM	Number of Skills training Programmes initiated in Thusong Service Centers.	2	3	No. of skills training Programme sustained.
			Headcount of people accessing Thusong Service Centers.	500	1000	1500

IDP/Prj. No	Name of project	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
IDP12/106	Palisade fence at Burgershoop community Centre.	MCLM	Installation of palisade fence at Burgershoop Community Centre.	Project initiated and completed	—	—
	Refurbishment of Burgershoop Community Centre	MCLM	Kitchen at Burgershoop community Centre refurbished.	Project initiated and completed	—	—
			Crèche at Burgershoop community Centre refurbished.	Project initiated and completed	—	—
IDP12/107	Kagiso Pre- Primary School Upgrading	MCLM	Upgrading of Kagiso Pre Primary School	Project initiated and completed	—	—
IDP12/108	Kagiso Thusong Service Centre	MCLM	Kagiso Thusong Service Centre refurbished.	Project initiated and completed	—	—
IDP12/109	Construction of ECD facility at Chief Mogale	MCLM	New ECD constructed at Chief Mogale.	Building completed	Procurement of furniture and facility operational	—
IDP12/110	Construction of ECD facility at Rietvallei Ext. 2 and 3	MCLM	New ECD constructed at Rietvallei ext. 2 and 3.	Building completed	Procurement of furniture and facility operational	—

Traffic, Security and VIP Protection

IDP/Prj. No	Name of project (CAPEX)	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
IDP12/111	Road marking unit for painting of road	MCLM	No of km's painted	R 118 500	-	-

Sport and Libraries

IDP/Prj. No	Name of project (OPEX)	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
IDP12/112	Delivery of library and information services	MCLM	Documented headcount benefiting from library services	300 000	310 000	320 000
			Number of library resources circulated (books, manuals, books on tape, periodicals and newspapers)	300 000	310 000	320 000
		Grant funding.Prov Dept.SACR.	Number of Library Outreach Programmes implemented	8	9	10
		Grant funding.Prov SACR.	% Provincial Budget allocated versus spent on library resources	100%	100%	100%
IDP12/113	Sport and Recreation	MCLM	Headcount benefiting from sport facility usage	50 000	55 0000	60 000
			Number of sport and recreation programmes implemented	8	9	10
			Number of visits for sport fields maintenance	300	350	400
IDP12/114	Heritage Resources Development, Promotion and Management	MCLM	Number of heritage art and culture programmes implemented	4	5	6
			Number of exhibition staged	2	3	4

CORPORATE SERVICES

Corporate Administration

IDP/Prj. No	Name of project	Source of funding	Key Performance Indicator	2012/13	2013/14	2014/15
IDP12/115	Acquisition of Hall Assets (chairs, tables, podiums) , renovations and maintenance	MCLM	Stages for Community Halls Improvement	500 000.00	250 000.00	250 000.00
IDP12/116	Council Chamber Upgrade	MCLM	Stages for upgrading of the Council Chamber	-	-	-



ANNUAL BUDGET OF
MOGALE CITY LOCAL
MUNICIPALITY

2012/13 TO 2014/2015
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

1.1 Executive Summary

The application of sound financial management principles for the compilation of the City's financial plan is essential and critical to ensure that the City remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The City will continue with its revenue enhancement project vigorously on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the City has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people oriented government.

National Treasury's MFMA Circular No. 51, 54, 55 and 58 were used to guide the compilation of the 2012/13 MTREF.

The main challenges experienced during the compilation of the 2012/13 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Securing the health of the asset base (especially the revenue generating assets) by increasing spending on repairs and maintenance;
- Protecting the poor;
- Ensuring that drinking water and waste water management meets the required quality standards at all times;
- The need to reprioritise projects and high expenditure rate within the existing resource envelope given the cash flow realities and declining cash position of the municipality
- The increased cost of bulk water and electricity (due to tariff increases from Rand Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal employees that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced during the current year's adjustment budget and needed to be factored into the budget as part of the 2012/13 MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2012/13 MTREF:

- The 2012/13 Adjustments Budget priorities and targets, as well as the request from Departments based on the five year plan adopted by council.
- The council will embark on a borrowing of a loan to the value of R191 million to fund Infrastructure capital projects that will in a long run generate income.
- **Tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs. Mogale City has started a process of restructuring the tariffs for utility services for instance electricity tariffs was increased by 11.03 which includes R0.0350 of environmental levy, to encourage more efficient use of the service and to generate the resources needed to fund the maintenance, renewal and expansion of the infrastructure required to provide the services.**
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The following items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
 - Special Projects;
 - Consultant Fees;
 - Furniture and office equipment;
- **All unnecessary on nice-to-have items and non-essential activities like conference & seminars, refreshments: general and refreshment: meetings have been curtailed or reduced drastically.**

In view of the aforementioned, the following table is a consolidated overview of the proposed 2012/13 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2012/13 MTREF

R thousand	Adjustments Budget 2011/12	Budget year 2012/13	Budget Year +1 2014/15	Budget Year +2 2015/16
Total Operating Revenue	1,546,029,359	1,775,126,363	1,964,147,070	2,182,888,430
Total Operating Expenditure	1,663,896,050	1,834,235,615	1,981,794,957	2,179,363,190
<i>Surplus/(Deficit) for the year</i>	(117,866,692)	(59,109,252)	(17,647,888)	3,525,240
Total Capital Expenditure	176,951,393	386,380,451	385,908,843	240,099,349

Total operating revenue has grown by 14.81 per cent or R229.09 million for the 2012/13 financial year when compared to the 2011/12 Adjustments Budget. For the two outer years, operational revenue will increase by 10.65 and 11.14 per cent respectively, equating to a total revenue growth of R636.859 million over the MTREF when compared to the 2011/12 adjustment budget.

Total operating expenditure for the 2012/13 financial year has been appropriated at R1.834 billion and translates into an operating budgeted deficit of R59 million. This operating deficit is a non-cash deficit due to depreciation of about R184 million. MFMA Circular no.58 of the 2012/2013 Budget preparation states that, in preparation for 2012/2013 budget municipalities that have chosen the 'revaluation model' when implementing GRAP 17 must exclude the depreciation resulting from the revaluation of PPE when preparing their budgets and calculating any tariff increases. Mogale City when implementing GRAP 17 in 2008/09 financial year used the 'revaluation model' and subsequent to that used 'cost model' moving forward.

When compared to the 2011/12 Adjustment Budget, operational expenditure has grown by 10.24 per cent in the 2012/13 budget and by 8.04 and 9.96 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R3.52 million from deficit of R59 million. This operating surplus is not cash-backed.

The capital budget of R386 million for 2012/13 is 118 per cent more when compared to the 2011/12 Adjustment Budget. The increase is due to various projects being not finalised in the previous financial year as well as affordability constraints in the light of current economic circumstances and new projects to increase electricity distribution capacity. The capital programme increases by R209 million in the 2013/14 financial year and decreases by R145 million in 2014/15 to R240 million. A substantial portion of the capital budget will be funded from own funding over MTREF with anticipated surplus of R125 million, R176 million and R206 million respectively. Own funding will contribute 20 per cent in 2012/13 FY and 71 and 47 per cent of capital expenditure respectively, when government grants and transfers are excluded. The balance will be funded from government grants.

1.2 Operating Revenue Framework

For Mogale City to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management and expenditure management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. **The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.**

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management, which aims to ensure a 96 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases of 13.05 per cent as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City.

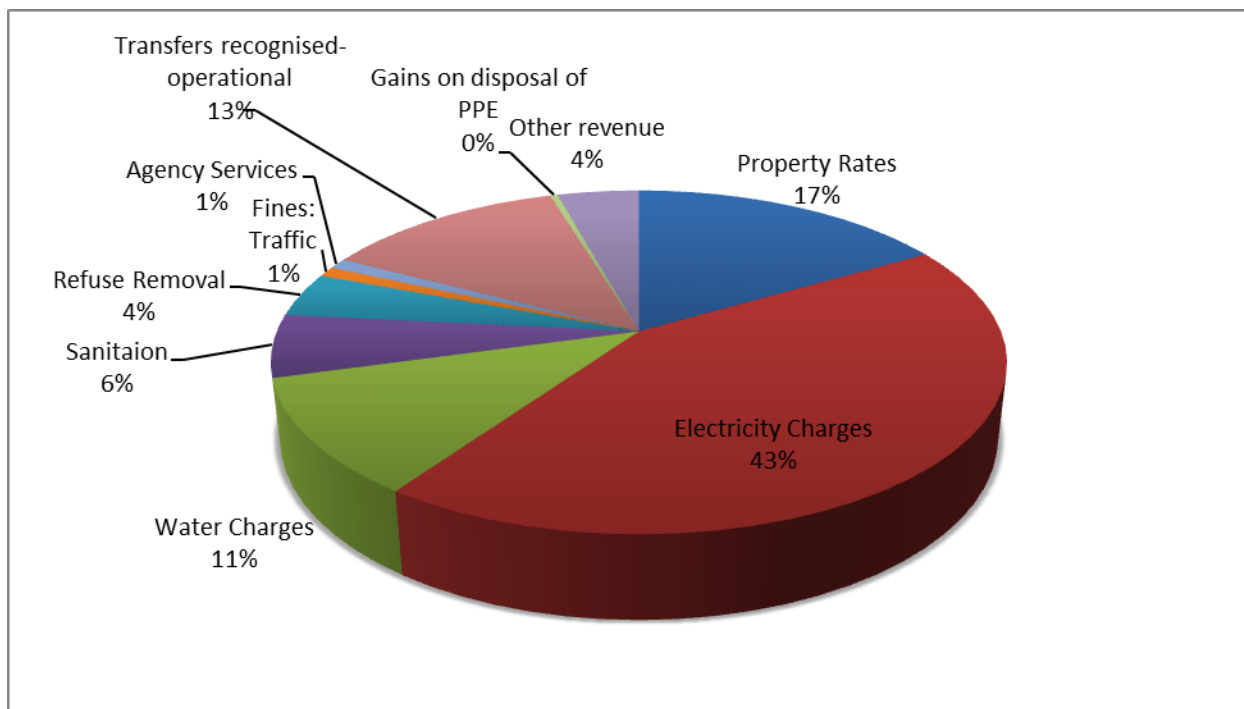


Figure 1 Main operational revenue categories

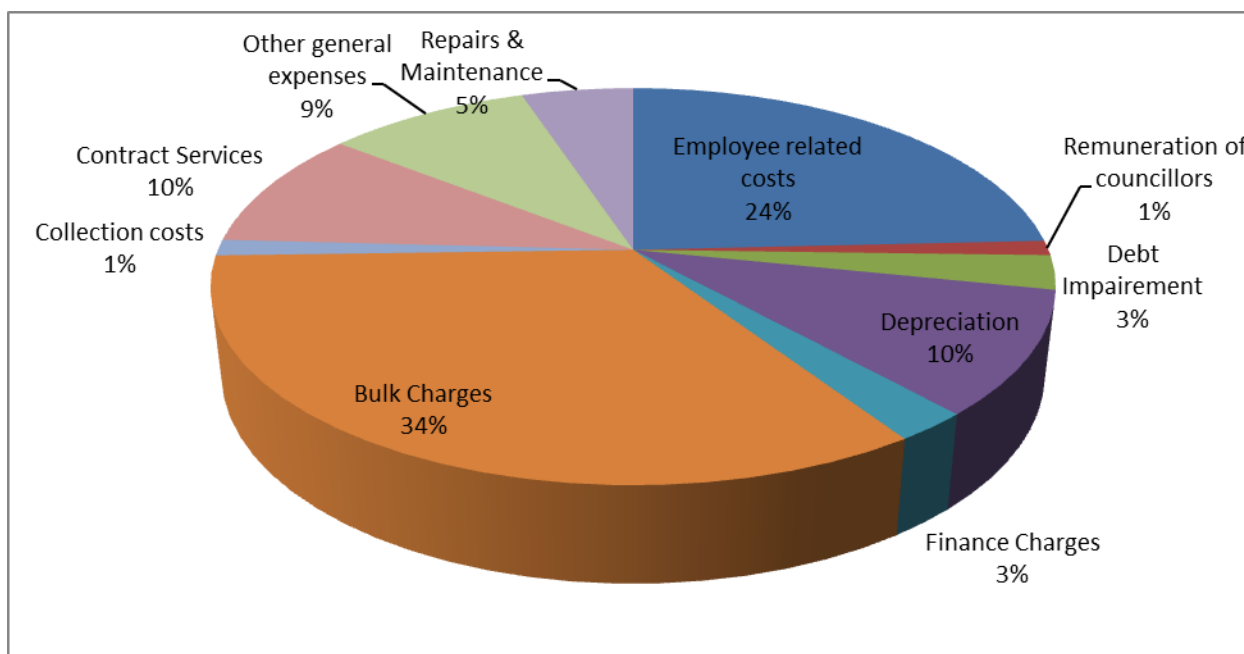


Figure 2 Main operational expenditure categories

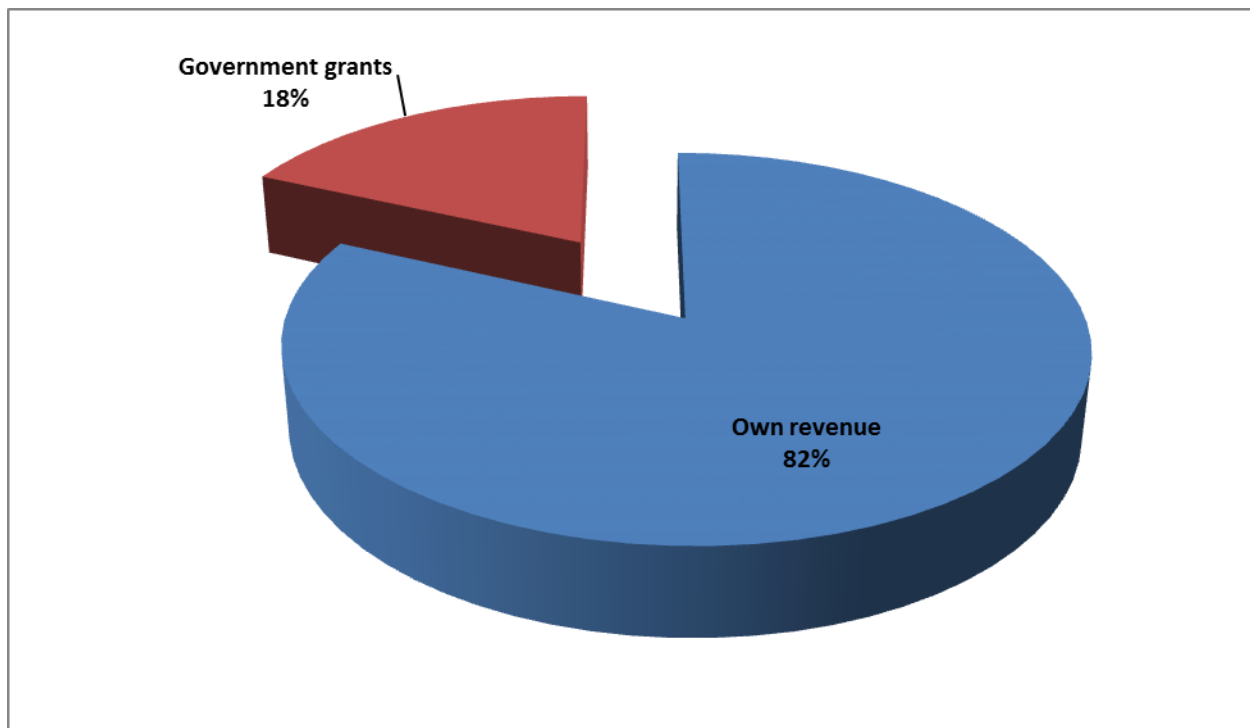


Figure 3: Source of revenue

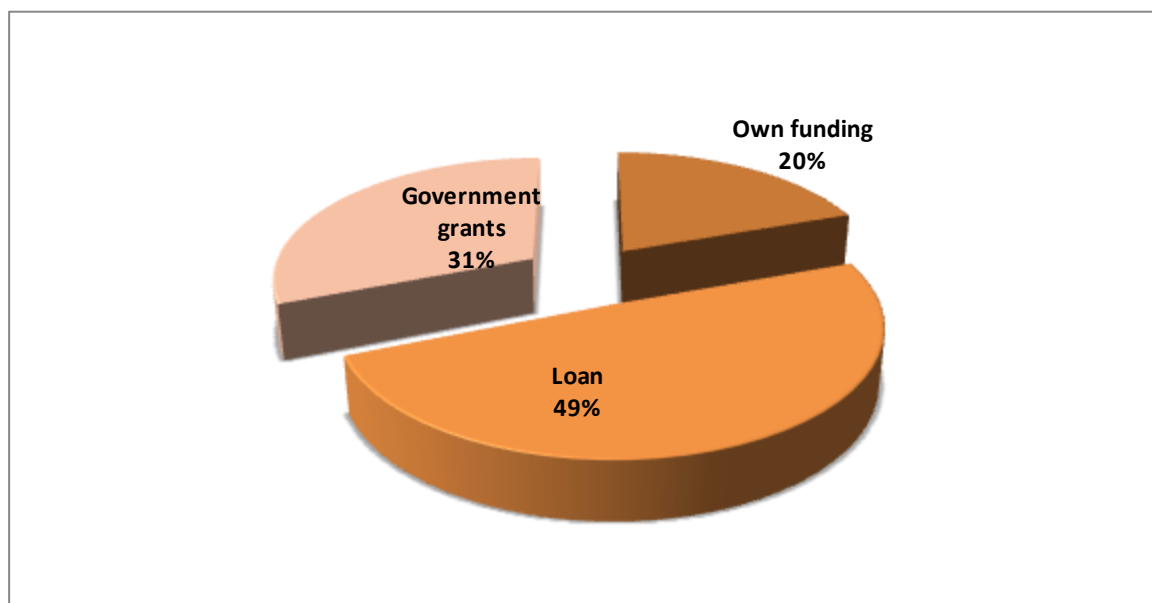


Figure 4: Capital Funding

The following table is a summary of the 2012/13 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	2008/09	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source										
Property rates	160,155	201,607	217,375	253,084	242,698	242,698	242,698	294,281	323,710	356,080
Service charges - electricity revenue	318,430	439,968	506,843	628,068	653,369	653,369	653,369	765,628	868,988	986,302
Service charges - water revenue	126,944	134,630	147,987	171,681	171,781	171,781	171,781	194,971	221,293	251,167
Service charges - sanitation revenue	57,167	69,938	73,859	82,528	84,647	84,647	84,647	104,805	115,286	126,814
Service charges - refuse revenue	50,953	56,238	61,380	67,784	71,770	71,770	71,770	82,382	90,621	99,683
Service charges - other	11,815	11,593	12,226	13,454	13,704	13,704	13,704	15,965	17,561	19,317
Rental of facilities and equipment	3,730	1,601	7,739	5,056	2,132	2,132	2,132	3,819	4,200	4,620
Interest earned - external investments	15,170	9,631	7,444	2,272	534	534	534	619	631	644
Interest earned - outstanding debtors	16,920	12,171	7,547	6,875	12,091	12,091	12,091	16,758	18,434	20,278
Dividends received	–	–	11	0	0	0	0	0	0	0
Fines	12,657	22,798	13,159	14,083	13,387	13,387	13,387	16,923	16,923	16,923
Licences and permits	14	21	31	29	19	19	19	26	29	32
Agency services	16,135	10,591	14,879	16,135	16,135	16,135	16,135	17,266	17,266	17,266
Transfers recognised - operational	118,631	148,617	193,385	200,724	213,882	213,882	213,882	224,506	236,132	248,425
Other revenue	33,391	24,821	93,263	26,240	27,310	27,310	27,310	30,277	33,074	35,338
Gains on disposal of PPE	–	–	0	0	22,569	22,569	22,569	6,900	0	0
Total Revenue (excluding capital transfers and contributions)	942,112	1,144,223	1,357,128	1,488,011	1,546,029	1,546,029	1,546,029	1,775,126	1,964,147	2,182,888

Table 3 Percentage growth in revenue by main revenue source

Description R thousand	Current Year 2011/2012		2012/13 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2012/13	%	Budget Year +1 2013/14	%	Budget Year +2 2014/15	%
Property rates	242,698	16%	294 281	17%	323 710	16%	356 080	16%
Service charges - electricity revenue	653,369	42%	765 628	43%	868 988	44%	986 302	45%
Service charges - water revenue	171,781	11%	194 971	11%	221 293	11%	251 167	12%
Service charges - sanitation revenue	84,647	5%	104 805	6%	115 286	6%	126 814	6%
Service charges - refuse revenue	71,770	5%	82 382	5%	90 621	5%	99 683	5%
Service charges – other	13,704	1%	15 965	1%	17 561	1%	19 317	1%
Rental of facilities and equipment	2,132	0%	3 819	0%	4 200	0%	4 620	0%
Interest earned - external investments	534	0%	619	0%	631	0%	644	0%
Interest earned – outstanding debtors	12,091	1%	16 758	1%	18 434	1%	20 278	1%
Fines	13,387	1%	16 923	1%	16 923	1%	16 923	1%
Licences and permits	19	0%	26	0%	29	0%	32	0%
Agency services	16,135	1%	17 266	1%	17 266	1%	17 266	1%
Transfers recognised - operational	213,882	14%	224 506	13%	236 132	12%	248 425	11%
Other revenue	49,897	3%	37 177	2%	33 074	2%	35 338	2%
Total Revenue (excluding capital transfers and contributions)	1,546,029	100%	1 775 126	100%	1 964 147	100%	2 182 888	100%
Total revenue from rates and service charges	1,224,266	79%	1 442 067	81%	1 619 898	82%	1 820 046	83%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the City. Rates and service charge revenues comprise 81 per cent of the total revenue mix. In the 2011/12 financial year, revenue from rates and services charges totalled R1.2 billion or 79 per cent. This increases to R1.4 billion, R1.6 billion and R1.8 billion in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from 79 per cent in 2011/12 to 81 per cent in 2013/14. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates is the second largest revenue source totalling 17 per cent or R294 million rand and increases to R356 million by 2014/15. The third largest sources (besides other service charges) is transfer recognised-operational and fourth largest is 'other revenue' which consists of various items such as income received from rental of facilities, traffic fines, income from agency fees, building plan fees, connection fees, cemetery fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R225 million in the 2012/13 financial year and steadily increases to R248 million by 2014/15. Note that the year-on-year growth for the 2012/13 financial year is 4.9 per cent and then increases to 5.2 and remains constant at 5.2 per cent in the two outer years.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description	2008/09	2009/10	2010/11	Current Year 2011/12			2011/12 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
EXPENDITURE:									
-									
Operating expenditure of Transfers and Grants									
National Government:	109,416	137,043	180 444	194 696	198 384	198 384	216 811	230 132	247 425
Local Government Equitable Share	106,975	135,814	173 321	189 605	189 605	189 605	210 117	225 189	242 126
Finance Management	500	750	1 000	1 250	1 250	1 250	1 250	1 250	1 450
Municipal Systems Improvement	321	479	750	800	800	800	1 000	1 000	1 000
Restructuring	1,620	-	-	-	-	-	-	-	-
EPWP	-	-	21	-	4 064	4 064	1,891	-	-
Department of Water Affairs	-	-	2 736	-	600	600	-	-	-
MIG (PMU)	-	-	2 616	3 041	2 065	2 065	2 553	2 693	2 849
Provincial Government:	7,542	10,301	9 889	6 028	6 028	6 028	7 695	6 000	1 000
Health subsidy	6,112	5,426	3 438	-	-	-	-	-	-
Sport and Recreation	-	-	3 582	4 400	4 400	4 400	4 400	5 000	-
Housing	-	-	-	-	-	-	2 295	-	-
Seta- Training	1,361	2,206	1 552	1 628	1 628	1 628	1 000	1 000	1 000
GDACE:Bontle ke Botho	70	185	49	-	-	-	-	-	-
Gauteng Treasury - Interns Grant	-	141	-	-	-	-	-	-	-
Theta	-	2,111	-	-	-	-	-	-	-
DARD: Environmental Planning & Impact Assessment	-	-	1 000	-	-	-	-	-	-
GDLG: HIV/AIDS (Door to Door Programme)	-	232	268	-	-	-	-	-	-
District Municipality:	1,673	1,273	3 051	-	-	-	-	-	-
HIV & AIDS	1,673	1,273	3 051	-	-	-	-	-	-
District Management Area	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-						
Total operating expenditure of Transfers and Grants:	118,631	148,617	193 384	200 724	204 412	204 412	224 506	236 132	248 425

Tariff-setting is a pivotal and strategic part of the compilation of any budget. **When rates, tariffs and other charges were revised, growth in terms of revenue based, local economic conditions, the wage agreements with unions, and other input costs of services provided by the municipality,** the municipality's indigent policy and the affordability of services were taken into account to ensure the financial sustainability of the City.

The percentage increases of both Eskom and Rand Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the City.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, materials and chemicals. **The current challenge facing Mogale City is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows:**

1.2.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2012/13 financial year based on a 12 per cent increase from 1 July 2012 is contained below:

Table 5 Proposed rates to be levied for the 2012/13 financial year

Category	Current Tariff (1 July 2011)	Proposed tariff (from 1 July 2012)	Increase
	c	c	%
Residential properties	0.00961	0.01076	12
State owned properties Residential	0.00961	0.01076	12
Business & Commercial	0.01922	0.02153	12
Agricultural	0.00246	0.00276	12
Education Institution	0.00961	0.01076	12
Public Benefit Organization	0.00961	0.01076	12
Industrial	0.01922	0.02153	12
Religious	0.00961	0.01076	12
Public Service Infrastructure (PSI)	0.00961	0.01076	12
Public Open Space (Municipal)	0	0.01076	

1.2.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply and high percentage of water losses. Mogale City is facing similar dilemma as any municipality in our Country. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

National Treasury encourages municipalities to develop a pricing strategy to phase-in the necessary tariff increase in a manner that spreads the impact on consumers over a period of time if the water tariffs for municipalities is not fully cost reflective.

Better maintenance of infrastructure, new reservoirs construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Rand Water has increased its bulk tariffs with 13.5 per cent from 1 July 2012.

A tariff increase of 13.5 per cent from 1 July 2012 for water is proposed. This is based on input cost assumptions of 13.5 per cent increase in the cost of bulk water (Rand Water). In addition 6 kℓ water per 30-day period will again be granted free of charge to all residents

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2011/12	PROPOSED TARIFFS 2012/13	INCREASE
	Rand per kℓ	Rand per kℓ	%
RESIDENTIAL			
(i) 0 to 6 kℓ	0	0	
(ii) 7 to 15 kℓ	10.30	11.69	13.5
(iii) 16 to 30 kℓ	12.77	14.49	13.5
(iv) 31 to 45 kℓ	14.86	16.86	13.5
(v) 46 to 60kℓ	16.39	18.60	13.5
(vi) 61 kl + above	17.92	20.33	13.5
NON-RESIDENTIAL (Business & Industrial)			
(i) 0 – 500 kℓ	14.89	16.90	13.5
(ii) 500 + above	11.16	12.67	13.5

1.2.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced a guideline increase of 11.03% for the 2012/13 municipal tariff review effective from 1 July 2012. The guideline increase is based on the bulk purchases to increase by 13.5% in line with Eskom's tariff increase to municipalities meaning the municipalities will buy from Eskom at 13.5% including environmental levy of R0.0350.

Considering the Eskom increases, the consumer tariff had to be increased by 13.5 per cent to offset the additional bulk purchase cost from 1 July 2012.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

The approved budget for the Electricity Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply). It is estimated that special funding for electricity bulk infrastructure to the amount of R165 million per year for five years will be necessary to steer the City out of this predicament.

Table 7 Proposed Electricity (Domestic) (To be submitted separately)

PROPOSED ELECTRICITY TARIFFS : 2012/2013			
Excluding VAT	Approved Tariffs 2011/12	Proposed Tariffs 2012/13	Increase
	R	R	%
ENVIRONMENTAL ELECTRICITY LEVY		R0.0350	Environmental levy included in % increase
1. Domestic - Single Consumers			
1.1. Pre-Paid			
1.1.1 Pre-Paid: Single Phase			
1.1.1.1 Energy (R/kWh)	R 1.0385	R1.1185	7.70
1.1.1.2 Energy (R/kWh)		R1.3421	
1.1.1.3 Energy (R/kWh)		R1.5658	

1.1.2. Pre-Paid: Three Phase			
1.1.2.1 Energy (R/kWh)	R 1.4896	R1.6043	7.70
1.1.2.2 Energy (R/kWh)		R1.9251	
1.1.2.3 Energy (R/kWh)		R2.2460	
Fixed Charge (R/A/CB rating)			
1.2. Life Line (Poor Households) (Conventional and Pre-Paid Metering)			
1.2.1 Energy (R/kWh)	R 0.8031	R0.8649	7.70
1.2.2 Energy (R/kWh)		R1.1244	
1.2.3 Energy (R/kWh)		R1.2109	
1.2.4 Energy (R/kWh)		R1.3839	
1.3 Two-Part Energy (R/kWh)	R 0.8017	R0.8901	11.03
Fixed Charge (R/A/CB rating) (60A)	R 3.41	R3.41	0
1.4. Two-Part: Time-of-Use			
Energy (R/kWh):			
During Eskom PEAK Times	R 1.7938	R1.9917	11.03
During Eskom STANDARD Times	R 0.8339	R0.9259	11.03
During Eskom OFF-PEAK Times	R 0.5562	R0.6175	11.03
Fixed Charge (R/A/CB rating)	R 3.66	R3.41	-6.83
FREE Basic Electricity	Poor households	50 kWh / Month	
<u>2. Domestic - Bulk Consumers Low Voltage</u>			
2.1. Three-Part			
Energy (R/kWh)	R 0.5842	R0.6811	16.58
Fixed Charge (Rand/Month)	R 307.50	R341.42	11.03
Demand Charge (R/kVA)	R 55.36	R64.54	16.58

1.2.4 Sanitation and Impact of Tariff Increases

A tariff increase of 12 per cent for sanitation from 1 July 2012 is proposed. It should be noted that electricity costs contributes approximately 6 per cent of waste water treatment input costs, therefore the higher than CPI increase of 12 per cent for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

- Free sanitation (98 per cent of 6 kℓ water) will be applicable to registered indigents; and
- The total revenue expected to be generated from rendering this service amounts to R106 million for the 2012/13 financial year.

The following table compares the current and proposed tariffs:

Table 8 Proposed sanitation tariff charges

CATEGORY/LAND USE (Irrespective of the quantity of water supplied to the premises)	CURRENT TARIFF 2011/12	PROPOSED TARIFF 2012/13	INCREASE
	TARIFF PER Rand	TARIFF PER Rand	%
	R	R	%
Basic charges per m2	0.0176	0.0198	12
Additional Sewerage for Rietvallei/Lusaka/Ga-Mogale	62.37	69.86	12
Business, School, NGO, Hospital Consumers, additional sewage 3 months average kl usage/months	4.16	4.66	12

1.2.5 Solid Waste Removal and Impact of Tariff Increase

A tariff increase of 12 per cent for sanitation from 1 July 2012 is proposed.

The following table compares current and proposed amounts payable from 1 July 2012:

Table 9 Proposed solid waste removal

	CURRENT TARIFFS	PROPOSED TARIFFS	INCREASE
	2011/12	2012/13	
Mobile refuse containers 240L Bins:	Per month (R)		%
Domestic: 240L removed once a week	96.44	108.02	12
Domestic: 240L removed daily	571.90	640.53	12
Business: 240L removed once a week	222.42	249.11	12
Business: 240L removed daily	889.63	996.38	12
Dwellings: 85L (maximum of six bin liners)	88.43	99.04	12
Flats: 85L (maximum of four bin liners)	62.14	69.59	12

1.3 Operating Expenditure Framework

The City's expenditure framework for the 2012/13 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services.

The following table is a high level summary of the 2012/13 budget and MTREF (classified per main type of operating expenditure):

Table 10 Summary of operating expenditure by standard classification item

Description R thousand	2008/09	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Expenditure By Type										
Employee related costs	292,000	327 613	373 287	418 215	406 312	406 312	406 312	444 727	475 059	513 063

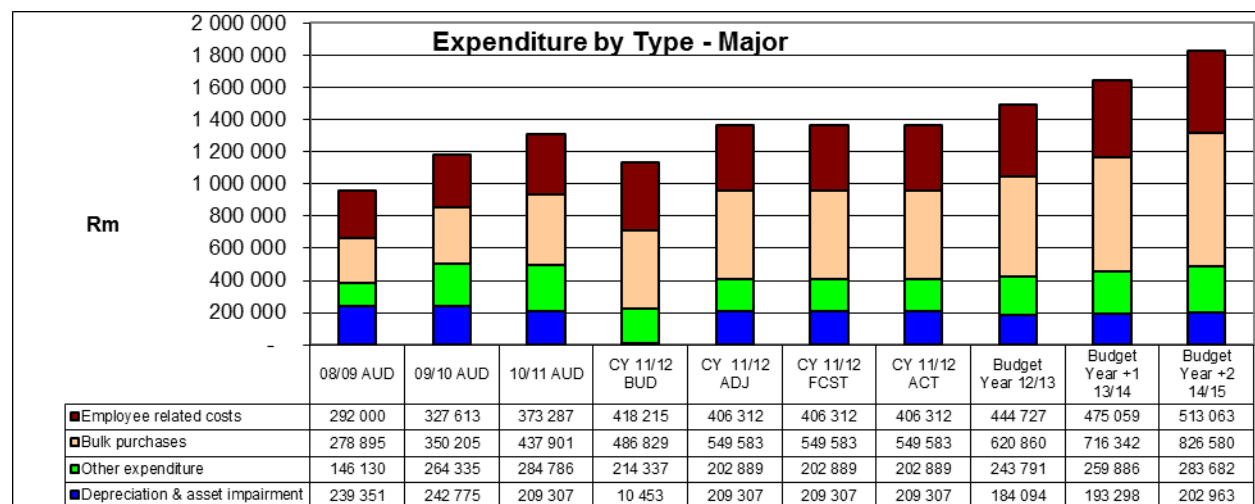
Remuneration of councillors	14,246	15 337	16 313	19 312	19 312	19 312	19 312	21 930	24 342	26 776
Debt impairment	37 658	81 279	48 032	80 528	70 176	70 176	70 176	51 086	60 749	68 221
Depreciation & asset impairment	239 351	242 775	209 307	10 453	209 307	209 307	209 307	184 094	193 298	202 963
Finance charges	38 420	31 393	33 209	22 984	25 309	25 309	25 309	44 417	50 784	50 491
Bulk purchases	278,895	350 205	437 901	486 829	549 583	549 583	549 583	620 860	716 342	826 580
Contracted services	48 548	51 685	76 832	114 718	162 844	162 844	162 844	202 472	180 382	184 435
Transfers and grants	4,589	5 649	4 739	7 236	18 164	18 164	18 164	20 859	20 953	23 152
Other expenditure	146 130	264 335	284 786	214 337	202 889	202 889	202 889	243 791	259 886	283 682
Total Expenditure	1 099 836	1 370 271	1 484 406	1 374 612	1 663 896	1 663 896	1 663 896	1 834 236	1 981 795	2 179 363

- The budgeted allocation for employee related costs for the 2012/13 financial year totals R445 million, which equals 24 per cent of the total operating expenditure, Employee related cost overall will increase by 9.4%, of which 7.5% is for general increase whilst Salga and labour movements in process of negotiating, 4.5% is for notch increase and other non-inflation linked items like overtime, annual bonuses, long service awards, leave payments and vacant positions.
- An annual increase of 7 per cent and 8 per cent has been included in the two outer years of the MTREF. As part of the City's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards.
- As part of the planning assumptions and interventions all vacancies were originally removed from the adjustment budget by Executive Management Committee.
- In addition expenditure against overtime has decreased by 21% or by R3, 5 million, with provisions against this budget item only being provided for emergency services and other critical functions.
- The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation (Government Gazette no.34869) in this regard has been taken into account in compiling the City's budget and increase of 13.5% was factored in taking into consideration grading number 5 of the municipality.
- The provision of debt impairment was determined based on an annual collection rate of 96 per cent. For the 2012/13 financial year this amount equates to R51 million and decreased to R68 million by 2014/15. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.
- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R184 million for the 2012/13 financial and equates to 10 per cent of the total operating expenditure.

- Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 2.3 per cent (R44 million) of operating expenditure excluding annual redemption for 2011/12 the increase of R19 million includes the cost for new loan.
- Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Rand Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures exclude distribution losses.
- In line with the City's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the City's infrastructure. For 2012/13 the appropriation against this group of expenditure is R94 million and continues to grow at 8.0 and 9.9 per cent for the two outer years.
- Other general expenses have been identified as one of the highest cost drivers for the City. In the 2012/13 financial year, this group of expenditure totals R171 million or 20 per cent of the total budget, clearly demonstrating the impact of this particular item in the City's cash flow. For the two outer years growth has been limited to 5.08 and 8.8 per cent.
- As part of the process of identifying cost efficiencies, the cash flow turnaround strategy project will be monitored vigorously to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out and to develop Expenditure Management Policy to curb high expenditure rate that the City is experiencing now. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented.

The following table gives a breakdown of the main expenditure categories for the 2012/13 financial year.

Figure 4 Expenditure by major type for the 2012/13 financial year



1.3.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2012/13 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 11 Operational repairs and maintenance

Description	2010/11	Current Year 2011/12				2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand								
Repairs and Maintenance by Expenditure Item								
Employee related costs		2 442	1 820	1 820	1 820	1 929	2 084	2 292
Other materials		13 851	13 471	13 471	13 471	8 618	9 307	10 238
Contracted Services		89 347	60 746	60 746	60 746	78 295	84 558	93 014
Other Expenditure		7 838	5 649	5 649	5 649	4 852	5 241	5 765
Total Repairs and Maintenance Expenditure		113 478	81 687	81 687	81 687	93 694	101 190	111 309

During the compilation of the 2012/13 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the City's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially increased by 28 per cent in the 2010/11 original budget financial year (compared to 2010/111 outcome to original budget), from R89 million to R113 million. During the 2012 Adjustment Budget this allocation was adjusted downwards to R82 million owing to the cash flow challenges faced by the City. Notwithstanding this reduction, as part of the 2012/13 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2012/13 equates to R94 million increased by R12 million and continues to grow at

8 and 10 per cent over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 5.1, 5.1 and 5.1 per cent for the respective financial years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 12 Repairs and maintenance per asset class

Description R thousand	2008/09	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	239 351	242,775	209,307	10,453	209,307	209,307	184,094	193,298	202,963
Repairs and Maintenance by Asset Class	46 677	73,962	88,693	113,478	81,687	81,687	93,694	101,190	111,309
Infrastructure - Road transport	9 551	15,209	10,965	25,611	21,425	21,425	21,482	23,201	25,521
Infrastructure - Electricity	14 493	22,763	27,807	30,070	25,290	25,290	22,618	24,427	26,870
Infrastructure - Water	2 386	4,063	4,676	7,313	4,183	4,183	7,000	7,560	8,316
Infrastructure - Sanitation	2 675	6,311	7,278	5,832	5,168	5,168	8,000	8,640	9,504
Infrastructure - Other	2 873	8,008	4,851	3,165	4,953	4,953	6,681	7,216	7,937
Infrastructure	31 979	56,354	55,577	71,991	61,019	61,019	65,781	71,044	78,148
Community	4 492	4,096	6,502	8,722	7,140	7,140	7,068	7,633	8,397
Heritage assets	0	0	0	0	0	0	0	0	0
Investment properties	0	0	0	0	0	0	0	0	0
Other assets	10 207	13,512	26,614	32,765	13,528	13,528	20,845	22,512	24,764

TOTAL EXPENDITURE OTHER ITEMS	286,028	316,737	298,000	123,931	290,994	290,994	277,788	294,488	314,272
Renewal of Existing Assets as % of total capex	0.0%	40.4%	24.5%	68.9%	79.2%	79.2%	50.8%	47.1%	55.8%
Renewal of Existing Assets as % of deprecn"	0.0%	19.5%	17.7%	1491.0%	67.0%	67.0%	106.7%	94.0%	66.0%
R&M as a % of PPE	1.0%	1.6%	1.9%	2.4%	1.6%	1.6%	1.8%	1.8%	2.0%
Renewal and R&M as a % of PPE	1.0%	2.0%	2.0%		5.0%	5.0%	2.0%	2.0%	2.0%

For the 2012/13 financial year, 5.1 per cent or R94 millions of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received a significant proportion of this allocation totalling 24 per cent (R23 million), followed by road infrastructure at 23 per cent (R21 million), water at 7 per cent (R7 million) and sanitation at 9 per cent (R8 million). Community assets have been allocated R7 millions of total repairs and maintenance equating to 8 per cent.

1.3.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the City's Indigent Policy. The target is to register 20 000 or more indigents households during the 2012/13 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 24 MBRR A10 (Basic Service Delivery Measurement) on page 46.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.4 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 13 2012/13 Medium-term capital budget per standard classification

	Adjusted Budget	Percentage	2012/13 Budget Year	Percentage	2013/14 Budget Year	Percentage	2014/15 Budget Year	Percentage
Capital Expenditure - Standard		-						
Executive and council	220	0.12%	7 279	1.9%	2 158	0.56%	115	0.05%
Budget and treasury office	50	0.03%	1 000	0%	-	0.00%	-	0.00%
Corporate services	2 628	1.49%	3 211	1%	-	0.00%	-	0.00%
Community and social services	20 228	11.43%	32 325	8%	-	0.00%	-	0.00%
Sport and recreation	2 023	1.14%	8 250	2%	38 350	9.94%	8 000	3.33%
Public safety	625	0.35%	631	0%	-	0.00%	-	0.00%
Housing	-	0.00%	125	0%	-	0.00%	-	0.00%
Planning and development	1 837	1.04%	33 622	9%	43 800	11.35%	53 511	22.29%
Road transport	16 853	9.52%	44 812	12%	48 619	12.60%	38 736	16.13%

Environmental protection	11 468	6.48%	32 776	8%	34 406	8.92%	23 715	9.88%
Electricity	40 492	22.88%	95 221	25%	103 560	26.84%	34 000	14.16%
Water	2 062	1.17%	23 966	6%	21 565	5.59%	16 060	6.69%
Waste water management	66 373	37.51%	80 651	21%	52 983	13.73%	37 774	15.73%
Waste management	5 592	3.16%	14 511	4%	12 468	3.23%	13 188	5.49%
Other	6 500	3.67%	8 000	2%	28 000	7.26%	15 000	6.25%
Total Capital Expenditure	176 951		386 380		385 909		240 099	

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.

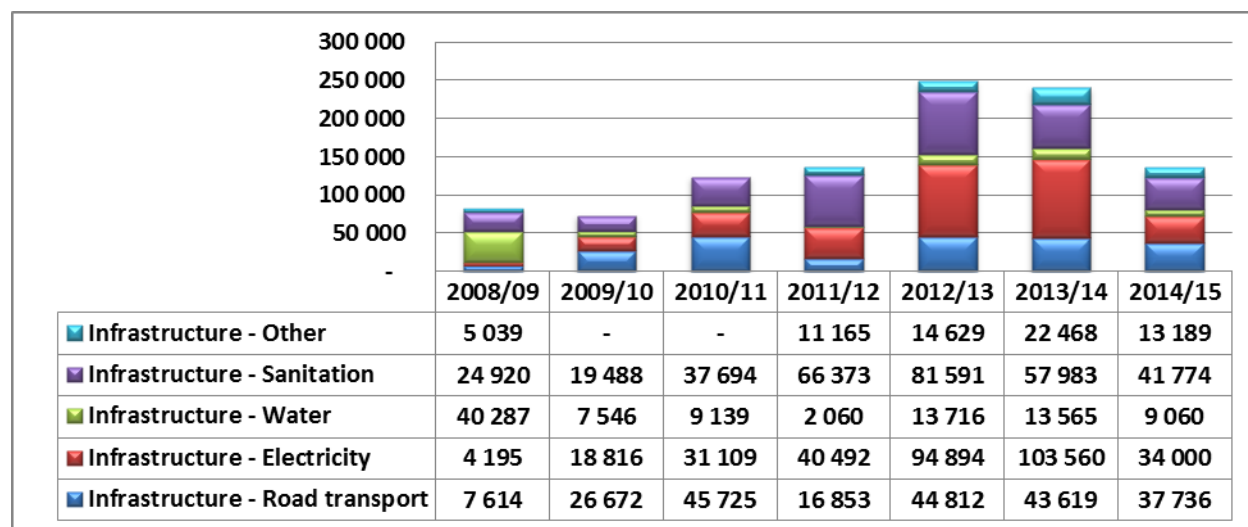


Figure 5 Capital Infrastructure Programme

For 2012/13 an amount of R253 million has been appropriated for the development of infrastructure which represents 65 per cent of the total capital budget. In the outer years this amount totals R255 million, 66 per cent and R142 million, 59 per cent respectively for each of the financial years. Electricity receives the highest allocation of 95 million in 2012/13 which equates to 25 per cent followed by sanitation infrastructure at 21 per cent, R81 million and then roads and storm water at 12 per cent, R45 million. The information is contained in Table 23 MBRR A9 (Asset Management) page 44.

Total new assets represent 49 per cent or R190 million of the total capital budget while asset renewal equates to 51 per cent or R196 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 23 MBRR A9 (Asset Management) on page 44. Some of the important projects to be undertaken over the medium-term includes, amongst others:

- Landfill site upgrade – R12 million financed by MIG;
- Acquisition of land in rural areas – R20 million to be financed by loan;
- Construction of Tourism village – R3 million;

- Organic Farming and Incubation– R3 million;
- Kagiso Sports Complex Upgrade – R2 million funded by own funding
- Kagiso Regional Park Development –R14 million;
- Kagiso Cemetery Upgrading – R1.4 million;
- Refurbishment and renewal electrical network – R87 million funded from loan;
- Ga-Mogale Roads & Storm water – R10 million
- Upgrading and renewal of sewers – R81 million;

Section F : Service delivery Budget (Capital Budget)			
2012/2013 CAPITAL BUDGET	Service Delivery excluding Office furnisher and related items		
CAPITAL BUDGET	2012/2013 TOTAL BUDGET	2013/2014 TOTAL BUDGET	2014/2015 TOTAL BUDGET
CORPORATE SUPPORT SERVICES	2 703 000	-	-
Corporate Services	2 703 000	-	-
Upgrade of Council/ Mayoral Chambers	1 500 000	-	-
Acquisition of Hall Assets	500 000	-	-
TOTAL CORPORATE SUPPORT SERVICES	2 703 000	-	-
MUNICIPAL FINANCIAL MANAGEMENT	500 000	-	-
Revamp of Kaaiso & Mamellesburg Office	500 000	-	-
TOTAL FINANCIAL SERVICES	500 000	-	-
ECONOMIC SERVICES	33 070 000	43 800 000	53 511 000
Rural Development	25 570 000	27 800 000	29 855 000
Land Acquisition	20 000 000	20 000 000	20 000 000
Comprehensive Rural Development Programme	1 500 000	1 500 000	1 500 000
Site & Services (fencing)	500 000	1 300 000	1 300 000
Office Equipment	70 000	-	55 000
Commonage Infrastructure	3 500 000	5 000 000	7 000 000
Enterprise Development	6 800 000	6 000 000	6 000 000
Business Information Platforms	300 000	-	-
Tourism Cultural Village	3 000 000	3 000 000	3 000 000
Carpentry Incubator	250 000	-	-
Organic Farming and Incubation	3 000 000	3 000 000	3 000 000
Tourism System	250 000	-	-
Development and Planning	700 000	10 000 000	17 656 000
NDPG (Capital Grant)	700 000	10 000 000	17 656 000
TOTAL ECONOMIC SERVICES	33 070 000	43 800 000	53 511 000
INTEGRATED ENVIRONMENTAL MANAGEMENT	46 748 173	46 874 703	36 903 978
INTEGRATED ENVIRONMENTAL MANAGEMENT:ADMIN	-	-	-
Parks Management	28 385 707	20 906 432	22 214 783
Kaaiso Cemetery Upgrading	1 425 146	1 543 466	1 632 710
Kaaiso Regional Park development Phase 2	14 170 938	15 285 763	16 169 597
Azaadville Parks Development	3 969 623	3 377 203	3 572 476
Parks Development & Upgrading	300 000	300 000	590 000
Replacement of Workshop tools	80 000	-	-
Food gardens support	110 000	-	-
Game reserve upgrading of game reserve facilities: swimming pool & lodge thatching	1 300 000	-	-
10 lawnmowers - 15 Bushcutters & 5 tractor slashers	-	-	-
Acquisition of land for new Krugersdorp/Munsieville & Maqaliesburg Cemeteries	7 000 000	400 000	250 000
Office furniture: Kaaiso Cemetery	30 000	-	-
Municipal Health	18 362 466	25 968 271	14 689 195
Luipaardsvllei Landfill Site - Phase 3 completion	4 592 966	4 974 290	5 261 907
Luipaardsvllei Landfill Site - Phase 4	9 919 500	7 493 981	7 927 288
Development of Maqaliesburg Landfill Site	-	5 000 000	-
Expansion of Offices	1 200 000	-	-
Air Quality Control Equipment	350 000	-	-
Skip bins Containers	2 000 000	1 500 000	1 500 000
Luipaardsvllei landfill site fencing	300 000	-	-
Buy Back Centres/Droo Offs	-	7 000 000	-
TOTAL INTEGRATED ENVIRONMENTAL MANAGEMENT	46 748 173	46 874 703	36 903 978
SOCIAL SERVICES	41 206 104	38 350 000	8 000 000
Social Upliftment	32 325 000	-	-
Aged Day Care Centre : Construction - Kaaiso	7 750 000	-	-
Aged Day Care Centre : Construction - Munsieville	7 750 000	-	-
Chief Moale MPCC - 5 computers	25 000	-	-
Chief Moale MPCC - kitchen equipment	500 000	-	-
Burgersdorp - renovations of ECD centre	2 500 000	-	-
Renovations - Kaaiso Thusona Centre	1 800 000	-	-
Construction of an ECD in Chief Moale	9 000 000	-	-
Kaaiso Pre- Primary School renovations	3 000 000	-	-
Libraries	-	-	-
Libraries Capital Funding	-	-	-
Recreation - Sports and Swimming Pools	8 250 000	37 250 000	8 000 000
Kaaiso Sports Complex Upgrade	2 000 000	8 000 000	2 000 000
Muldersdrift Upgrade Sport Complex	500 000	500 000	-
Azaadville Sports Complex Upgrade	2 000 000	3 000 000	-
Lusaka Sports Complex Upgrade	500 000	-	-
Krugersdorp West Swimming Pool	750 000	750 000	-
Azaadville Swimming Pool Upgrade	750 000	750 000	-
Rietvallei 2 & 3 Sports Complex Upgrade	-	500 000	-
Munsieville Sports Hub: installation of indoor pavilions of indoor playing surface	750 000	1 750 000	-
Ga-Mohale Sports Complex Upgrade	-	6 000 000	6 000 000
Hekpoort new Sports Complex	-	12 000 000	-
Coronation Swimming Pool Upgrade	-	1 500 000	-
Fencing Lewishman Tennis Courts	1 000 000	1 500 000	-
Moveable pavillion for Muldersdrift Sport Complex	-	1 000 000	-
Heritage	-	1 100 000	-
Refurbishment of Ubuntu Arts & Culture	-	1 000 000	-
Purchasing of art collections	-	100 000	-
Public Safety	631 104	-	-
Moving parts and installation of generator	251 000	-	-
Specialised Scanner	30 000	-	-
Road marking machine	118 000	-	-
Supply and install an A Grade Vehicle Play Detector	130 000	-	-
TOTAL SOCIAL SERVICES	41 206 104	38 350 000	8 000 000

Section F : Service delivery Budget (Capital Budget)			
2012/2013 CAPITAL BUDGET	Service Delivery excluding Office furnisher and related items		
CAPITAL BUDGET	2012/2013 TOTAL BUDGET	2013/2014 TOTAL BUDGET	2014/2015 TOTAL BUDGET
CAPITAL BUDGET	2012/2013 TOTAL BUDGET	2013/2014 TOTAL BUDGET	2014/2015 TOTAL BUDGET
INFRASTRUCTURE SERVICES	252 648 249	254 725 838	141 569 807
Roads and Storm water	44 811 573	48 618 726	38 736 050
PR 2: Rietvallei Roads & Surface Drainage	6 408 134	6 940 159	7 341 445
PR 5: Rietvallei Ext 5 Roads & Surface Drainage	9 885 000	10 705 687	11 324 698
PR 7: Muldersdrift Roads & Surface Drainage	930 002	1 007 214	1 065 452
PR 9: Ga Moshale Roads & Surface Drainage	10 029 850	6 530 469	6 908 066
PR 10: Rietvallei Roads & Surface Drainage	3 836 787	4 155 330	4 395 595
PR 15: Western Rural Roads & Surface Drainage	6 721 800	7 279 867	7 700 794
Pretoria Street/ CBD Taxi Rank Upgrading	-	5 000 000	-
Protea Daal, Chanciliff, Noordheuwel Road Network Development	2 000 000	2 000 000	-
Rangeview Ext 2 Roads & Storm water	5 000 000	5 000 000	-
Electricity Distribution	95 220 572	103 560 000	34 000 000
Protea Daal, Chanciliff, Noordheuwel Electricity	1 000 000	-	-
Rangeview Ext 2 Electricity	6 000 000	-	-
Electricity Demand Side Management	8 000 000	-	-
Office Furniture & Equipment	210 000	-	-
New 11kv Switch Rooms: Delperton & Reservoir Substation	116 364	-	-
Krugersdorp North Main Substation supply, deliver, install, erect, test & commission new equipment	14 000 000	-	-
Krugersdorp North Main Substation Additional 20 & 7.5 MVA Transformer	700 000	-	-
Factoria to Libertas New O/H Transmission Line	6 000 000	-	-
Condale /Teddy Niel Substation supply, delivery, installation, erect, test & commission new equipment	40 000 000	36 000 000	4 000 000
Condale to Krugersdorp North New O/H Transmission Line	10 000 000	20 000 000	-
Condale to Chamdor North New O/H Transmission Line	1 000 000	15 000 000	15 000 000
Condale to Chamdor terminations Transmission Line	1 000 000	15 000 000	15 000 000
Condale to Botloaga New O/H Transmission Line	2 560 000	2 560 000	-
Condale 1 x 10 MVA Transformers	3 134 208	-	-
Chamdor 2 x 40 MVA Transformers	1 500 000	15 000 000	-
Building Facilities	8 000 000	28 000 000	15 000 000
Ablution Facilities Chamdor Yard	2 000 000	15 000 000	15 000 000
Johanna Botha Sport Complex Upgrade	-	7 000 000	-
Lenwan Hostel Upgrade	3 000 000	3 000 000	-
Green Hostel Upgrade	3 000 000	3 000 000	-
Water and Sanitation	104 616 104	74 547 112	53 833 757
Water	23 965 500	21 564 549	16 059 758
Rural Water & Sanitation	2 965 500	3 211 706	3 397 409
Maqaesburg Bulk Water Pipeline	3 000 000	5 352 843	5 662 349
Lenwan Bulk Water Pipeline	3 500 000	-	-
Munsieville Ext 5 Water Connection	250 000	-	-
Prepaid Water Meters Replacement Program	5 000 000	-	-
Kenmare Reservoir reseal for water tightness	1 000 000	-	-
Water Demand & Conservation Management	3 000 000	3 000 000	3 000 000
Protea Daal Water Connection	2 000 000	5 000 000	-
Rangeview Ext 2 Water Connection	1 000 000	5 000 000	4 000 000
Laboratory Specialised Equipment	500 000	-	-
Upgrade of Water Laboratory	1 000 000	-	-
Laboratory Information Management System (LIMS)	500 000	-	-
Office & Furniture Equipment	250 000	-	-
Sanitation	80 650 604	52 982 563	37 773 999
Percy Stewart 10 MI Upgrade - Civil Works	26 339 149	21 612 835	22 862 505
Percy Stewart 10 MI Upgrade - Mechanical & Electrical Works	-	-	-
Percy Stewart 10 MI Upgrade - Professional Fees	-	-	-
Muldersdrift Bulk Outfall Sewer	2 092 144	2 265 841	2 396 853
Lusaka 2 & 3 Renewals Phase 1	1 616 811	1 751 044	1 852 291
Maqaesburg Waste Water Care Works	4 942 500	5 352 843	5 662 350
Flip Human Waste Water Care Works Refurbishment	5 100 000	-	-
Muldersdrift Outfall Sewer Phase 1	3 000 000	6 000 000	5 000 000
Millsite Outfall Sewer Phase 1	8 000 000	6 000 000	-
Kenmare Sewer Pump Station	7 500 000	-	-
Munsieville Ext 5 Bulk Sewer	15 000 000	-	-
Rangeview Ext 2 Sewer Connection	5 000 000	-	-
Protea Daal Sanitation Connection	2 000 000	10 000 000	-
Furniture & Office Equipment	60 000	-	-
TOTAL INFRASTRUCTURE SERVICES	252 648 249	254 725 838	141 569 807
Grand total	384 154 451	385 908 843	240 099 349

2012/2013 PROPOSED OUT OF BOOKS CAPITAL INVESTMENT PROPOSAL	SCHEDULE 2(b)		
CAPITAL BUDGET	2012/2013 TOTAL BUDGET	2013/2014 TOTAL BUDGET	2014/2015 TOTAL BUDGET
ECONOMIC SERVICES	49 150 750	55 750 750	1 000 000
Sustainable Human Settlement	46 150 750	54 750 750	-
Kagiso Extension 12 - Construction of 400 Top structures	11 093 600	11 093 600	-
Rietvallei Proper & Extension 1	16 395 000	6 395 000	-
Ethembaletu Village - Construction of 150 Top structures	1 662 150	1 662 150	-
Chief Mogale - Construction of Engineering Infrastructure and Houses	10 000 000	10 000 000	-
Munsieville Extension 2 -Demolition and re construction of 6 houses	200 000	400 000	-
Munsieville Extension 5 - Construction of Houses	6 000 000	10 000 000	-
Kagiso Hostel - Construction of 200 RDP walkups	800 000	15 200 000	-
Development and Planning	3 000 000	1 000 000	1 000 000
NDPG (Allocations-in-kind)	3 000 000	1 000 000	1 000 000
TOTAL ECONOMIC SERVICES	49 150 750	55 750 750	1 000 000
SOCIAL SERVICES	12 000 000	-	-
Libraries	12 000 000	-	-
Construction of Tarlton Library	12 000 000	-	-
TOTAL SOCIAL SERVICES	12 000 000	-	-
INFRACTURE SERVICES	2 314 000	9 268 000	9 268 000
Integrated National Electrification Programme (Eskom) Grant	2 314 000	9 268 000	9 268 000
	2 314 000	9 268 000	9 268 000
Grand total	63 464 750	65 018 750	10 268 000